



Kwang Sung Electronics H.K. Co. Limited

光 星 電 子 香 港 有 限 公 司

Stock Code 股份代號 : 2310



ANNUAL REPORT

2010

年 報



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Please use the attached paper glasses for viewing the 3D effect
請使用附上的立體眼鏡觀賞 3D 效果

Financial Highlights 財務摘要

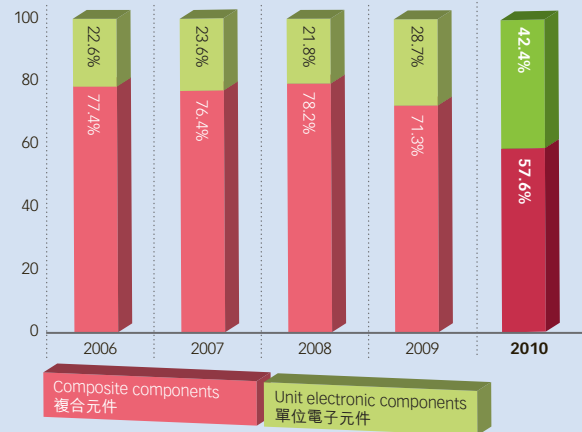
Turnover 營業額

(HK\$'000 千港元)



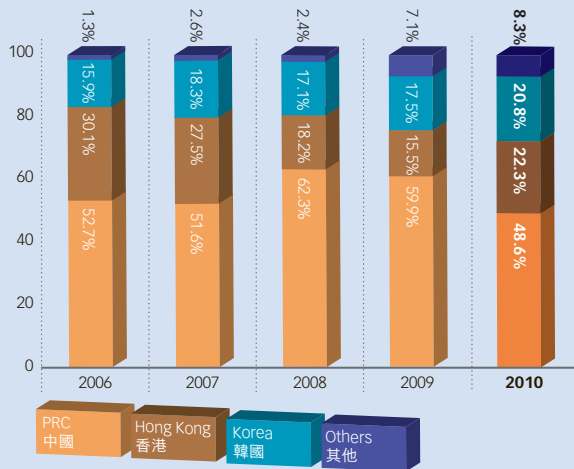
Turnover by Business Segments 按業務分部劃分之營業額分析

(% 百分比)



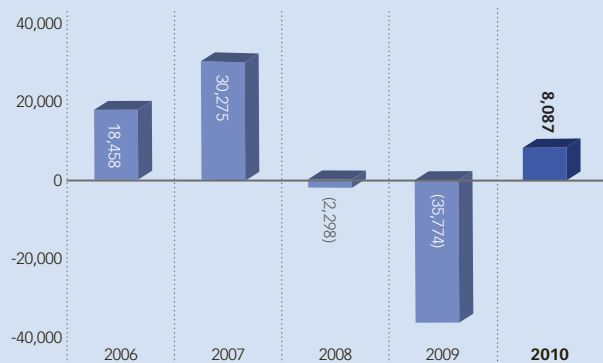
Turnover by Geographical Regions 按地區分佈劃分之營業額分析

(% 百分比)



Profit (Loss) Attributable to Owners of the Company 本公司擁有人應佔溢利 (虧損)

(HK\$'000 千港元)



Basic Earnings (Loss) per Share 每股基本盈利 (虧損)

(HK cents 港仙)



Financial Highlights
財務摘要

		Note 附註	2010 二零一零年	2009 二零零九年	% Changes 變動百分比
Results HK\$'000	業績 千港元				
Turnover	營業額		680,481	592,280	14.9
Gross profit	毛利		92,863	74,500	24.6
Profit before taxation	除稅前溢利		14,018	3,308	323.8
Profit (loss) after taxation attributable to owners of the Company	本公司擁有人 應佔除稅後 溢利(虧損)		8,087	(35,774)	122.6
Dividends	股息		—	—	—
Assets and Liabilities HK\$'000	資產與負債 千港元				
Total assets	總資產		529,902	494,799	7.1
Total liabilities	總負債		155,918	140,220	11.2
Shareholders' equity	股東權益		373,984	354,579	5.5
Per Share Data HK cents	每股數據 港仙				
Basic earnings (loss)	基本盈利(虧損)		2.50	(11.13)	122.5
Diluted earnings (loss)	攤薄盈利(虧損)		2.50	(11.13)	122.5
Dividends	股息		—	—	—
HK\$ Net asset value	港元 資產淨值		1.15	1.10	4.5
Financial Ratio	財務比率				
Gross profit margin (%)	毛利率(%)		13.65	12.58	8.5
Net profit (loss) margin (%)	淨溢利(虧損)(%)		1.13	(6.13)	118.4
Current ratio	流動比率	1	2.59	3.04	(14.8)
Quick ratio	速動比率	2	2.00	2.59	(22.8)
Gearing ratio	負債比率	3	0.29	0.28	3.6

Notes:

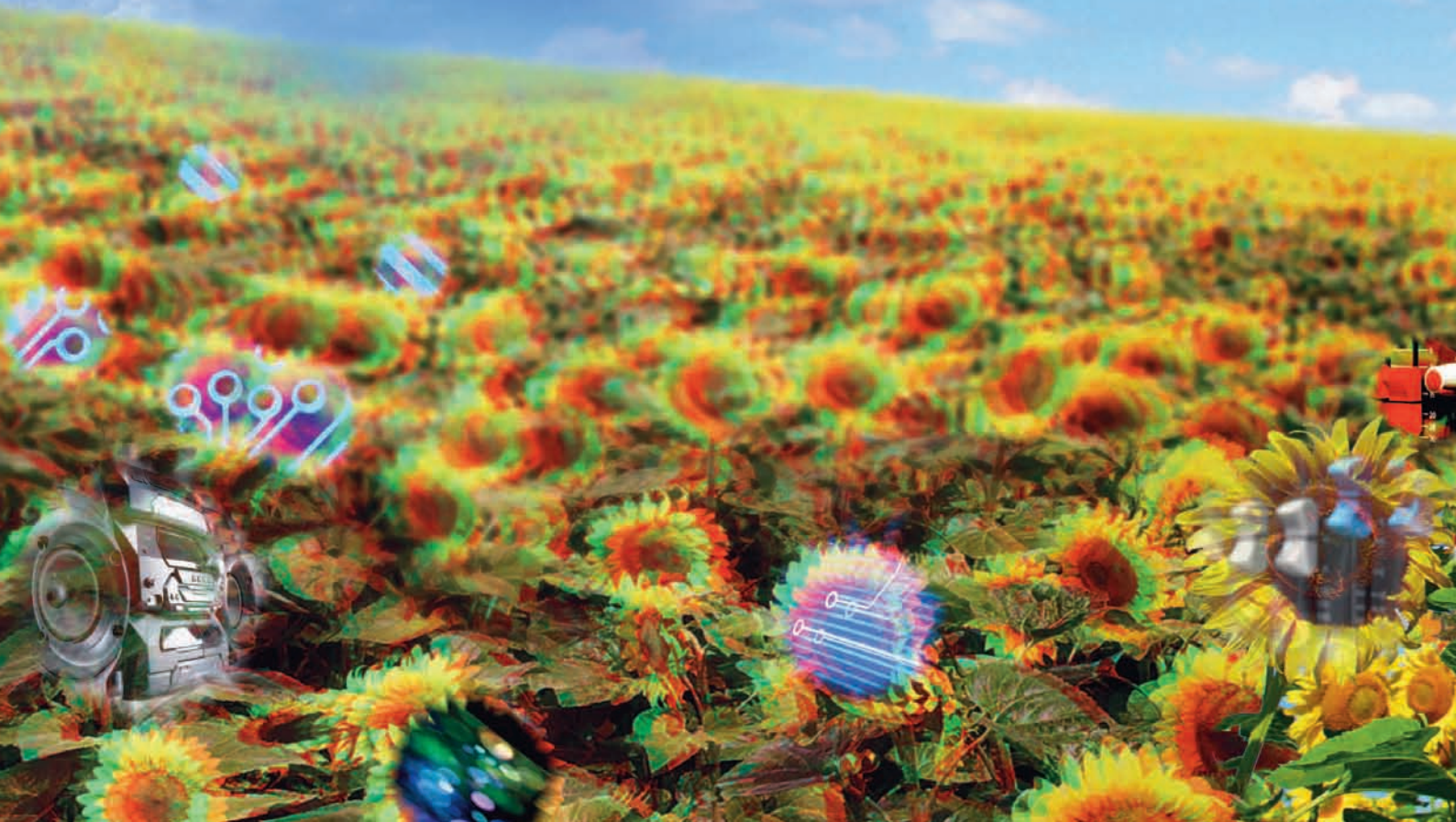
- (1) Current ratio represents current assets divided by current liabilities.
- (2) Quick ratio represents current assets excluding inventories divided by current liabilities.
- (3) Gearing ratio represents total liabilities divided by total assets.

附註:

- (1) 流動比率指流動資產除以流動負債。
- (2) 速動比率指不包括存貨的流動資產除以流動負債。
- (3) 負債比率指總負債除以總資產。



Chairman's Statement 主席報告書



We are a proactive and innovative industry player seeking to tap **high-growth opportunities**



我們發揮積極及
創新的精神
以抓緊高增長的商機

Chairman's Statement 主席報告書



**Research and development is
our core competency, driving the
Group's sustained development**
致力研發是推動本集團持續發展
的核心競爭力

The global economy was gradually recovering from the financial crisis during 2010. On the other hand, the evolving consumer electronics industry was not only posing challenges to producers of traditional consumer electronics products, but also it has opened up huge market opportunities for companies equipped with integrated total solutions, technological know-how and innovative spirit who can quickly develop and bring new solutions to the market, as Kwang Sung has done.

Since 2009, the Group has been committed to transforming itself from a passive OEM (original equipment manufacturer)/ODM (original design manufacturer) electronic components manufacturer into a more proactive industry player to design and develop advanced products to tap high-growth opportunities and lead the market. To capture the opportunities presented by the convergence of mobile phones, personal and notebook computers and televisions, we have been focusing on developing total solutions that integrate electronic components with multifunctioning and interconnectivity of different kinds of consumer electronic products to meet our customers' needs and, ultimately, consumers' demand.

Looking ahead, the Group is optimistic about the market outlook in 2011 as the global economy continues to rebound. We are also confident that our dedicated efforts in innovative product development driven by our research and development capability will contribute to our continued success in the ever-evolving consumer electronics market.

Besides, the Group will continue its prudent financial management strategy by maintaining stringent controls on cash flow while further boosting its operational efficiency.

Last but not least, I would also like to express my gratitude to all shareholders, my fellow board members and our customers and employees for their continuous support to Kwang Sung. I believe that with a strong management team and capable staff, we will continue to seize business opportunities and maximise returns to our shareholders in the coming years.

By order of the Board

Yang Ho Sung
Chairman

Hong Kong, 25 March 2011

Chairman's Statement 主席報告書



Yang Ho Sung 梁皓星
Chairman 主席

二零一零年，全球經濟從金融危機中逐步復甦。另一方面，消費電子行業的不斷發展不僅給傳統消費類電子產品生產商帶來挑戰，而且還為配備全面解決方案、技術訣竅及創新精神的公司開闢了一個廣大市場，該等公司能迅速開發並向市場推出新解決方案，正如光星所做的一樣。

二零零九年以來，本集團一直致力於由一個被動的OEM（原始設備製造商）/ODM（原始設計製造商）電子元件製造商轉型成為一個更加積極的行業角色，設計及開發先進的產品，以抓緊高增長機會，成為市場領導者。為把握手提電話、個人及筆記本電腦及電視多功能整合趨勢所帶來的商機，我們一直注重開發整合不同種類消費電子產品的多功能性及互聯性的電子元件的全面解決方案，以滿足客戶的需要，最終迎合消費者的需求。

展望未來，隨著全球經濟持續好轉，本集團看好二零一一年市場前景。我們也相信，在我們的研發能力的帶動下，我們在創新產品開發方面的專注努力，將有助於我們在日新月異的消費電子市場不斷取得成功。

此外，本集團將堅持一貫審慎的財務管理策略，對現金流維持嚴格的控制，同時進一步提高營運效率。

最後，本人謹感謝全體股東、董事會同袍以及本集團的客戶和員工對光星的無間斷支持。本人相信，在我們強大的管理團隊和能幹的員工努力下，我們必能抓緊商機，在未來幾年為股東創造最大回報。

承董事會命
主席
梁皓星

香港，二零一一年三月二十五日



CEO's Report 行政總裁報告書



We are launching a variety of **innovative products**, grasping opportunities presented by the convergence of mobile phones, personal and notebook computers and televisions



我們把握手提電話、
個人及筆記本電腦及
電視整合趨勢推出
多種新產品

CEO's Report 行政總裁報告書



Financial review

The electronic industry has gradually recovered its strength during 2010. Thanks to the efforts in research and development, the Group has been able to launch several innovative products during the year, which drove revenue growth of the Group and underscored the Group's leading position in the consumer electronics industry. For the year ended 31 December 2010, the Group achieved a turnover of HK\$680,481,000, an increase of 14.9% compared with last year.

Turnover

Turnover increased 14.9% to HK\$680,481,000 compared with HK\$592,280,000 in 2009, mainly attributable to the surge in sales of unit electronic components. Turnover from composite components business decreased by 7.2% from HK\$422,027,000 in 2009 to HK\$391,814,000 in 2010. Sales of unit electronic components achieved a significant growth of 69.6% from HK\$170,253,000 in 2009 to HK\$288,667,000 in 2010.

Cost of sales

Cost structure

The overall cost of sales increased by 13.5% from HK\$517,780,000 in 2009 to HK\$587,618,000 in 2010, which was in line with turnover. Despite tough operation environment to the industry in the People's Republic of China (the "PRC"), the rate of increase in cost of sales is lower than that of turnover. This is primarily attributable to the change in products mix, effective cost control measure and greater effect of economies of scales.

Gross profit

Gross profit was HK\$92,863,000 which represented an increase of 24.6% from HK\$74,500,000 in 2009. The increase in gross profit was mainly driven by the growth in turnover in 2010. In addition, some of the new products launched had higher gross profit margin. Accordingly, the gross profit margin rose slightly from 12.6% in 2009 to 13.6% in 2010.

CEO's Report 行政總裁報告書



Yang Jai Sung 梁在星
CEO 行政總裁

財務回顧

二零一零年電子行業逐漸復甦。得益於在研發方面作出的努力，本集團得以於年內推出多款創新產品，推動本集團收益增長，並鞏固本集團在消費電子行業的領先地位。截至二零一零年十二月三十一日止年度，本集團營業額達到680,481,000港元，較去年增長14.9%。

營業額

營業額由二零零九年的592,280,000港元增加14.9%至680,481,000港元，主要由於單位電子元件的銷售額激增所致。複合元件業務的營業額由二零零九年的422,027,000港元減少7.2%至二零一零年的391,814,000港元。單位電子元件業務的銷售額由二零零九年的170,253,000港元大幅增長69.6%至二零一零年的288,667,000港元。

銷售成本

成本結構

因營業額增加，整體銷售成本由二零零九年的517,780,000港元增長13.5%至二零一零年的587,618,000港元。儘管中華人民共和國（「中國」）電子行業的經營環境不佳，但銷售成本的增幅仍低於營業額的增幅，主要歸因於產品組合變動、實施有效的成本控制措施及規模經濟的影響擴大。

毛利

毛利為92,863,000港元，較二零零九年的74,500,000港元增加24.6%。毛利增加主要歸因於二零一零年營業額增長。此外，若干新推出產品的毛利率更高。因此，毛利率由二零零九年的12.6%輕微上升至二零一零年的13.6%。

CEO's Report 行政總裁報告書

Other income

Other income increased by 51.5% from HK\$5,749,000 in 2009 to HK\$8,712,000 in 2010. The increase was primarily due to increase in value added tax refund of HK\$1,726,000, increase in gain on disposal of property, plant and equipment of HK\$877,000 and increase in fair value of investment property of HK\$600,000.

Selling and distribution expenses

Selling and distribution expenses increased by 11.3% from HK\$19,148,000 in 2009 to HK\$21,308,000 in 2010. The increase was due to larger sales volume and the continuous increase in costs.

Administrative expenses

Administrative expenses increased by 19.1% from HK\$16,627,000 in 2009 to HK\$19,804,000 in 2010. The increase was a result of additional management and administrative costs incurred to support the expansion of business.

Research and development expenses

Research and development expenses increased by 14.8% from HK\$31,066,000 in 2009 to HK\$35,658,000 in 2010, which was in line with the increase in turnover.

Other operating expenses

Other operating expenses were kept at the same level as compared with 2009.

Finance costs

The finance costs were HK\$389,000 in 2010 while no finance costs incurred in 2009. The amount was attributable to the increase in bank borrowing.

Taxation

In 2008, the Hong Kong Revenue Department (the "HKIRD") enquired the Company about the basis of its 50:50 offshore claims in relation to its manufacturing activities carried out by Shenzhen Kwang Sung Electronics Co., Ltd. ("Shenzhen Kwang Sung") and a third party processing factory in the PRC and the deductibility of lease rentals since year of assessment 2001/02. The Company has lodged objections, made provision of HK\$35,996,000 for the previously 50:50 offshore claims and deduction of lease rentals in 2009 and purchased tax reserve certificates of HK\$19,075,000 as demanded by the HKIRD.

Subsequent to 31 December 2010, the tax representative of the Company received a letter from the HKIRD that the HKIRD has not agreed to the objection lodged by the tax representative of the Company on its 50:50 offshore claims in respect of its manufacturing profits derived under the processing arrangement with Shenzhen Kwang Sung and the deductibility of lease rentals. A settlement proposal has been made by the HKIRD on the additional profits tax assessment for the years of assessment 2001/02 to 2005/06. As at the date of this report, the Company does not have any decision on the proposal.

For the sake of prudence, the Group has adopted a conservative approach to assume no 50:50 offshore claim in relation to its manufacturing activities carried out by Shenzhen Kwang Sung and non-deduction of lease rentals to calculate Hong Kong Profits Tax. As a result of increased pre-tax profit, the provision for Hong Kong Profits Tax for the year increased by 252.6% from HK\$1,042,000 in 2009 to HK\$3,674,000 in 2010.

Moreover, the PRC Corporate Income Tax decreased by 7.5% from HK\$1,910,000 in 2009 to HK\$1,766,000 in 2010. On the other hand, deferred tax charge increased by 37.4% to HK\$885,000.

As there was no further provision made for the previously 50:50 offshore claims and non-deduction of lease rentals, the overall tax expenses significantly decreased by 84.0% from HK\$39,592,000 in 2009 to HK\$6,325,000 in 2010.

CEO's Report 行政總裁報告書

其他收入

其他收入由二零零九年的5,749,000港元增加51.5%至二零一零年的8,712,000港元。其他收入增加主要是由於增值稅退稅增加1,726,000港元，出售物業、機器及設備收益增加877,000港元及投資物業公允價值增加600,000港元所致。

銷售及分銷開支

銷售及分銷開支由二零零九年的19,148,000港元增加11.3%至二零一零年的21,308,000港元，是由於銷量增長和成本持續增加所致。

行政開支

行政開支由二零零九年的16,627,000港元增加19.1%至二零一零年的19,804,000港元。行政開支增加是由於支持業務擴展導致產生額外的管理及行政成本所致。

研發開支

在營業額增長的情況下，研發開支由二零零九年的31,066,000港元增加14.8%至二零一零年的35,658,000港元。

其他經營開支

與二零零九年相比，其他經營開支維持在相若水平。

融資成本

二零一零年的融資成本為389,000港元，二零零九年則並無產生融資成本。此乃由於銀行借貸增加所致。

稅項

於二零零八年，香港稅務局向本公司查詢有關本公司在中國由深圳光星電子有限公司（「深圳光星」）及第三方工廠所進行的製造活動及租賃租金扣稅問題而就二零零一／零二年以來提出50:50離岸申索要求之依據。本公司已提出反對，就過往之50:50離岸申索和二零零九年租賃租金扣稅作出35,996,000港元之撥備，並如香港稅務局要求購買儲稅券19,075,000港元。

於二零一零年十二月三十一日後，本公司的稅務代理收到香港稅務局函件，指香港稅務局並不同意本公司的稅務代理就其與深圳光星之間的加工安排所產生製造溢利及租賃租金扣稅而提出的50:50離岸申索要求而提出的反對意見。香港稅務局已就二零零一／零二年至二零零五／零六年評稅年度的額外利得稅評估提出解決方案。截至本報告日期，本公司對該方案並無任何決定。

為審慎起見，本集團已採取保守做法，假定由深圳光星所進行的生產活動並無50:50離岸申索要求及計算香港利得稅時租賃租金不能扣減。由於稅前溢利增加，本年度的香港利得稅撥備由二零零九年的1,042,000港元增加252.6%至二零一零年的3,674,000港元。

此外，中國企業所得稅由二零零九年的1,910,000港元減少7.5%至二零一零年的1,766,000港元。另一方面，遞延稅項開支增加37.4%至885,000港元。

由於未對過往之50:50離岸申索和不能扣減之租賃租金作出進一步撥備，整體稅項開支由二零零九年的39,592,000港元大幅減少84.0%至二零一零年的6,325,000港元。

CEO's Report 行政總裁報告書

Profit for the year

As a result of the combined effects of the factors cited above, the Group recorded a profit for the year attributable to owners of the Company of HK\$8,087,000 in 2010, as compared with a loss for the year attributable to owners of the Company of HK\$35,774,000 in 2009. Basic earnings per share were HK2.50 cents (2009: Basic loss per share was HK11.13 cents).

Financial condition, liquidity and financial resources

The Group primarily finances its operations with internally generated cash flow and banking facilities provided by its principal bankers in Hong Kong and Korea.

As at 31 December 2010, the Group had cash and bank balances of HK\$133,505,000 and net current assets of HK\$224,608,000. Shareholders' funds amounted to HK\$373,984,000 as at 31 December 2010.

The current ratio of the Group, being the ratio of current assets to current liabilities, decreased from 3.04 in 2009 to 2.59 in 2010. Gearing ratio, in terms of total liabilities to total assets, increased from 0.28 in 2009 to 0.29 in 2010. The decrease in current ratio and the increase in gearing ratio were mainly due to increase in capital expenditure and increase in bank borrowing to enhance our working capital.

As at 31 December 2010, the bank borrowing was HK\$13,844,000. With the cash and bank balances of HK\$133,505,000 and the banking facilities of HK\$129,595,000, the Group is confident that it can meet its current and future operational and capital expenditure requirements.

Foreign exchange exposure, hedging and off balance sheet financial instruments

The Group has been focusing on its own core business and follows a prudent financial policy. It has never invested in any highly leveraged or speculative derivative products. In this respect, the Group has continued to adopt a conservative approach towards financial risk management.

The Group is exposed to foreign currency risks primarily in sales and purchases which give rise to receivables, payables and cash balances that are denominated in United States Dollars ("USD"), Japanese Yen ("JPY"), and Renminbi ("RMB") as well as Korean Won ("KRW"). With the exchange rate of the Hong Kong Dollar ("HKD") pegged to the USD, the Group does not expect any significant fluctuation in the USD/HKD exchange rate in the foreseeable future. For other currencies such as JPY, RMB and KRW, the Group has taken steps to ensure that net exposure is kept at acceptable levels. It buys and sells foreign currencies at spot rates when necessary to address short term imbalance.

With its production workforce based in the PRC, most wages and salaries and factory overheads of the Group are denominated in RMB. As the deposit interest rate differential between the RMB and USD has been within a manageable range in terms of exchange rate risk, the directors of the Company are of the view that it is not necessary for the Group to purchase any foreign exchange forward or options contracts to hedge against exchange rate risks. However, the Group will closely monitor the exchange rate trend.

CEO's Report 行政總裁報告書

年度溢利

由於上述因素的共同影響，本集團於二零一零年錄得本公司擁有人應佔本年度溢利8,087,000港元，二零零九年則錄得本公司擁有人應佔年度虧損35,774,000港元。每股基本盈利為2.50港仙（二零零九年：每股基本虧損為11.13港仙）。

財務狀況、流動資金及財務資源

本集團主要以其內部產生的現金流及其香港及韓國的主要往來銀行所提供的銀行備用信貸額，為其業務運作提供所需資金。

於二零一零年十二月三十一日，本集團的現金及銀行結餘為133,505,000港元，而流動資產淨值則為224,608,000港元。於二零一零年十二月三十一日的股東資金為373,984,000港元。

本集團流動比率（流動資產與流動負債的比率）由二零零九年的3.04減至二零一零年的2.59，而負債比率（總負債與總資產之比率）則由二零零九年的0.28增至二零一零年的0.29。流動比率的下降及負債比率的上升，主要是由於資本開支增加及為增強我們的營運資本而增加的銀行借貸所致。

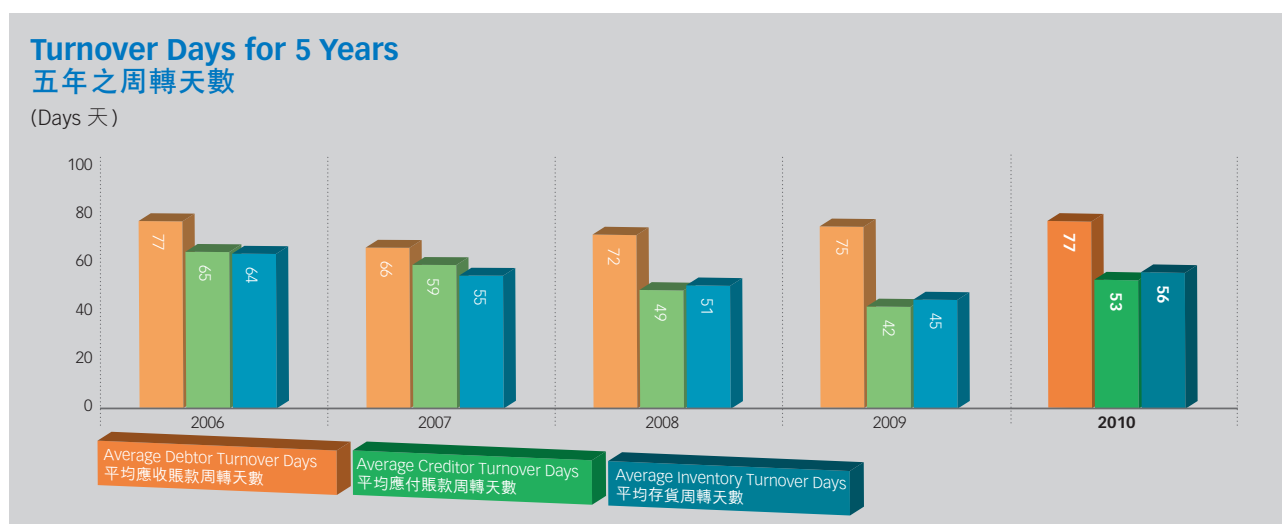
於二零一零年十二月三十一日，銀行借貸為13,844,000港元。連同現金及銀行結餘133,505,000港元及銀行備用信貸額129,595,000港元，本集團有信心應付其當前及未來的營運及資本開支要求。

外匯風險、對沖及賬外金融工具

本集團一向專注於其自身的核心業務，並遵循審慎的財務政策，堅決不投資高槓桿或投機性的衍生產品。在這方面，本集團對財務風險管理繼續採取保守做法。

主要由於本集團的銷售及採購，產生以美元、日圓、人民幣及韓圓計值之應收賬款、應付賬款及現金結餘，本集團因而承受外匯風險。鑑於港元匯率與美元掛鉤，本集團預期港元兌美元的匯率於可見未來不會出現任何重大波動。對於日圓、人民幣及韓圓等其他貨幣，本集團已採取措施，確保所面對的淨風險額維持於可接受的水平。在必要情況下，本集團按即期匯率買賣外幣，以針對短期之不平衡。

由於本集團生產廠房位於中國，故絕大部分工資、薪金及工廠間接開支以人民幣計值。由於人民幣與美元的存款利率差維持在匯率風險之可管控水平，故本公司董事認為本集團不需要購入任何外匯遠期或期權合約以對沖匯率風險。然而，本集團將密切注視匯率走勢。



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Investment activities

On 14 May 2010, the Group has entered into an agreement to acquire a parcel of land in Korea at a consideration of HK\$52,120,000 to construct a new facility for strengthening the Group's research and development, manufacturing, and sales and marketing as well as overall administration to better expedite the Group's future business growth. The Group has settled all the balances and completed the acquisition in July 2010.

Other than the above, the Group did not make any material acquisitions or disposals of any of its subsidiaries or associated companies during the year.

Charges on assets

As at 31 December 2010, the bank borrowing of HK\$13,758,000 was secured by the Company's land and buildings in Korea with carrying amount of HK\$21,603,000 for a maximum credit amounted of KRW2,400,000,000 (equivalent to HK\$16,510,000).

Contingent liabilities

The Group did not have any significant contingent liabilities as at 31 December 2010.

Employees and remuneration policy

As at 31 December 2010, the Group had about 904 employees, of whom 45 were based in Hong Kong, 767 in the PRC and 92 in Korea. Staff costs increased by 12.2% from HK\$76,495,000 in 2009 to HK\$85,836,000 in 2010. The increase was mainly due to the expansion of business and provision of incentive payment during the year.

Dividend

The board of directors (the "Board") of the Company did not recommend the payment of final dividend in respect of the year ended 31 December 2010 (2009: Nil). The Group's long-term dividend policy is to distribute not less than 30% of its net profit as dividend each financial year, and the Board will review this dividend policy from time to time to ensure optimum returns to shareholders.

Annual general meeting

The annual general meeting ("AGM") will be held at Conference Hall 03, 1/F., Core Building 1, Phase 1, No. 1 Science Park East Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong on Friday, 27 May 2011 at 10:00 a.m. The Notice of AGM will be published on the websites of the Company at www.kse.com.hk and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at www.hkex.com.hk, and dispatched to shareholders on or about Tuesday, 26 April 2011.

Closure of register of members

The register of members of the Company will be closed from Wednesday, 25 May 2011 to Friday, 27 May 2011, both days inclusive, during the period, no transfer of shares will be registered. To be eligible for attending and voting at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Standard Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on Tuesday, 24 May 2011.

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投資活動

於二零一零年五月十四日，本集團訂立協議，以代價52,120,000港元收購一幅位於韓國的地塊以興建新設施，用於加強本集團的研發、製造、銷售與營銷以及整體行政，進一步促進本集團的未來業務增長。本集團已於二零一零年七月結算所有結餘並完成收購。

除上述外，年內本集團並無任何有關收購或出售附屬公司或聯營公司之重大事項。

資產抵押

於二零一零年十二月三十一日，13,758,000港元之銀行借款以本公司位於韓國賬面值約為21,603,000港元之土地及樓宇作為抵押，其最高信貸額為2,400,000,000韓圓（相當於16,510,000港元）。

或然負債

本集團於二零一零年十二月三十一日並無任何重大或然負債。

僱員及酬金政策

於二零一零年十二月三十一日，本集團有約904名僱員，其中45名駐守香港，767名駐守中國，另92名則駐守韓國。員工成本由二零零九年的76,495,000港元增加12.2%至二零一零年的85,836,000港元。員工成本增加乃由於年內擴充業務及提供獎勵計劃所致。

股息

本公司董事會（「董事會」）不建議就二零一零年十二月三十一日派發末期股息（二零零九年：無）。本集團之長期派息政策是分派不少於每個財政年度溢利淨額30%，董事會將不時檢討股息政策，為股東提供吸引之回報。

股東週年大會

股東週年大會（「股東週年大會」）將於二零一一年五月二十七日（星期五）上午十時正假座香港新界沙田香港科學園一期科技大道東1號核心大樓一座一樓會議廳三舉行。關於股東週年大會的通告將在本公司網站www.kse.com.hk和香港聯合交易所有限公司（「聯交所」）網站www.hkex.com.hk上公布，並於二零一一年四月二十六日（星期二）當日或前後寄發予股東。

暫停辦理股份過戶登記

本公司股份過戶登記處將於二零一一年五月二十五日（星期三）至二零一一年五月二十七日（星期五）（包括首尾兩日）暫停辦理股份過戶登記手續。為確保出席股東週年大會並在會上投票，所有填妥之過戶表格連同有關股票，最遲須於二零一一年五月二十四日（星期二）下午四時正前送達位於香港皇后大道東28號金鐘匯中心26樓之本公司股份過戶登記處卓佳標準有限公司，辦理過戶登記手續。

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業務回顧Composite
Components Business
複合元件業務

Sales of Composite Components

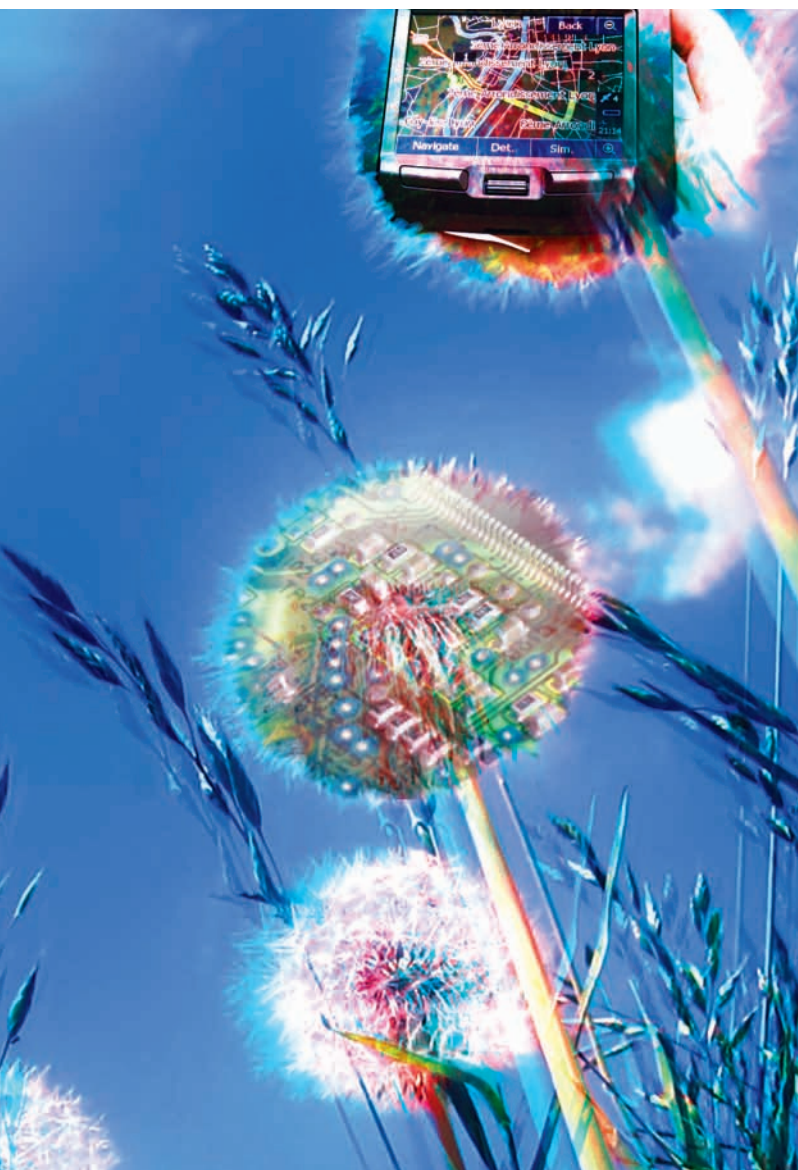
複合元件銷售額

(HK\$'000 千港元)

**Composite components business**

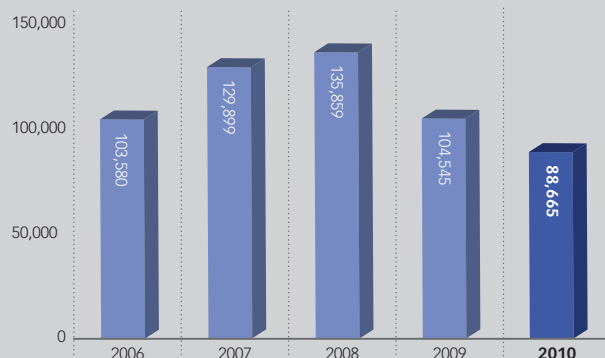
For the year ended 31 December 2010, the composite components business remained as the Group's major revenue source, accounting for 57.6% of the total turnover of the Group as compared with 71.3% in 2009. Despite the gradual recovery of the global economy, the fast change in market trends has dampened the demand for traditional home audio tuner modules. Therefore, the segmental turnover was HK\$391,814,000, a decrease of 7.2% as compared with HK\$422,027,000 in 2009.

The turnover from tuner modules for home audio systems declined by 26.3% to HK\$142,492,000 (2009: HK\$193,259,000), representing 36.4% (2009: 45.8%) of the total turnover from the composite components business. Sales of tuner modules for car audios decreased by 15.2% to HK\$88,665,000 during 2010 (2009: HK\$104,545,000), accounting for 22.6% (2009: 24.8%) of the total turnover from the composite components business.



Sales of Tuner Modules for Car Audios 汽車音響調諧器模組銷售額

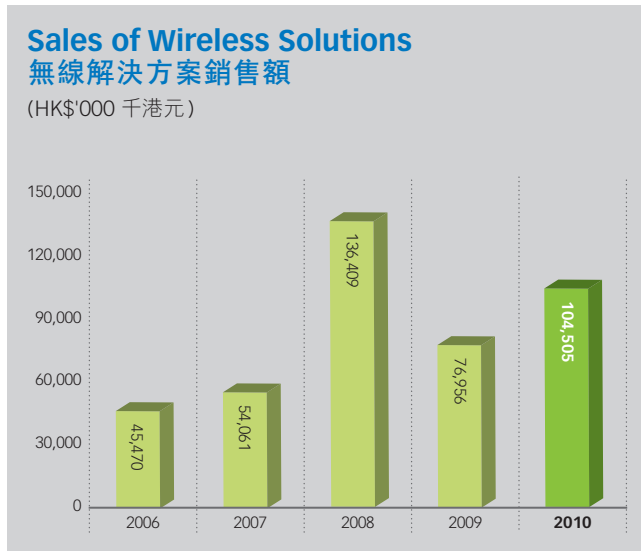
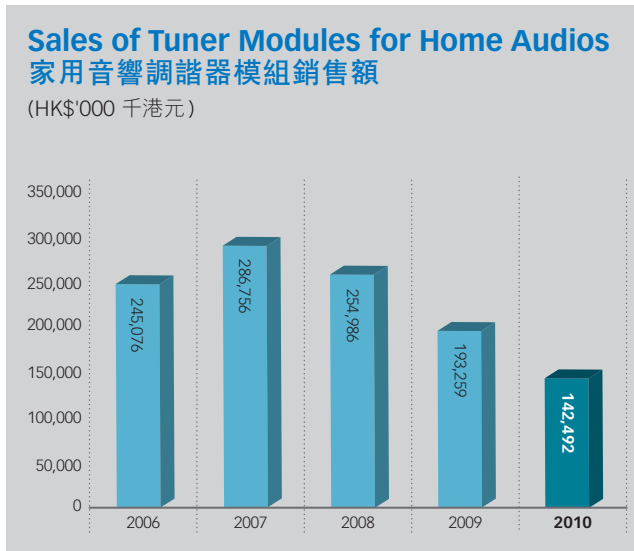
(HK\$'000 千港元)



複合元件業務

截至二零一零年十二月三十一日止年度，複合元件業務仍為本集團收益的主要來源，佔本集團總營業額57.6%（二零零九年：71.3%）。儘管全球經濟逐漸復甦，但快速改變之市場趨勢削弱了對傳統家用音響調諧器模組之需求。因此，該分部營業額為391,814,000港元，較二零零九年的422,027,000港元減少7.2%。

家用音響調諧器模組業務的營業額下跌26.3%至142,492,000港元（二零零九年：193,259,000港元），佔複合元件業務總營業額的36.4%（二零零九年：45.8%）。於二零一零年，汽車音響調諧器模組業務的營業額下跌15.2%至88,665,000港元（二零零九年：104,545,000港元），佔複合元件業務總營業額的22.6%（二零零九年：24.8%）。

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複合元件業務

The traditional home audio product market was adversely affected by the fast changing industry development and the trend of electronic products integrating the functions of smartphones, personal/notebook computers and television reception devices. To keep abreast of the market trends of multifunctionality and inter-connectivity with different consumer electronic products such as smartphones and televisions, the Group has developed solution products for smartphone docking systems and a General Radio Receiver (“GRR™”) Interface Protocol for multimedia products.

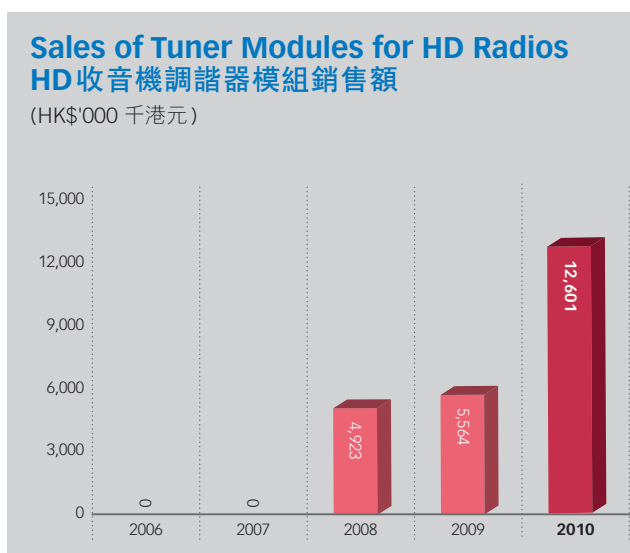
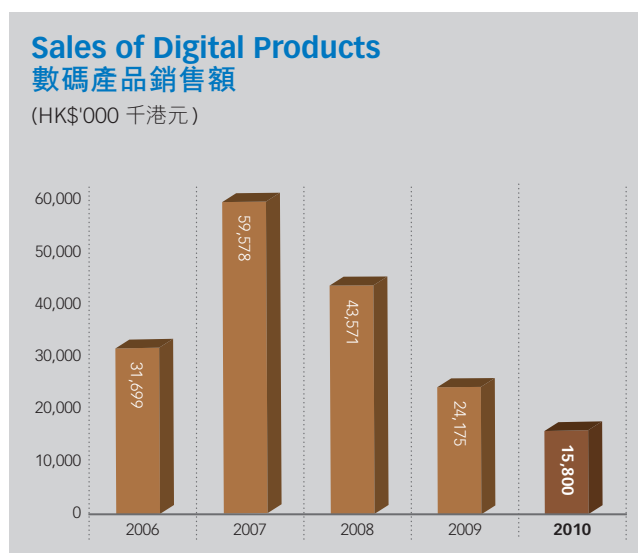
To cater for the new market demand trends for various turnkey solutions, the Group has redeployed its research and development resources to create an innovative GRR™. A GRR™ is a unique radio frequency physical interface protocol which can convert digital signals with various applications in hybrid digital radio (“HD Radio”), digital wireless microphone, digital wireless audio, WiFi internet radio, digital audio broadcasting (“DAB”), and AM/FM tuner.

Sales of the Group’s wireless solutions have increased by 35.8% to HK\$104,505,000 (2009: HK\$76,956,000), mainly due to the launch of new FM transmitters for LCD and LED televisions during the year. This new product has attracted orders from a renowned television manufacturer which has successfully boosted sales amidst the global economic recovery during the year.

因行業發展日新月異及電子產品整合智能電話、個人／筆記本電腦及電視機接收器等功能之趨勢，傳統家用音響產品市場受到不利影響。為趕上多功能性及與不同消費電子產品（如智能電話及電視機）內部互聯的市場趨勢，本集團開發了用於智能電話基座系統的解決方案產品及用於多媒體產品的通用無線電接收器（「GRR™」）接口協議。

為滿足市場對各種全套解決方案的新需求趨勢，本集團已重新調配其研發資源，打造一款創新的GRR™。GRR™是獨一無二的無線電頻率接口協議，能在不同應用中轉換數碼訊號，如混合式數碼收音機（「HD收音機」）、數碼無線耳機、數碼無線音響、WiFi網絡收音機、數碼音響廣播（「DAB」）及AM/FM調諧器。

本集團之無線解決方案的銷售額增加35.8%至104,505,000港元（二零零九年：76,956,000港元），主要因為期內為LCD及LED電視機推出新型FM傳輸器所致。這款新產品吸引到一家知名電視機製造商的訂單，在本年度全球經濟復蘇過程中成功帶動銷售額增長。

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As at 31 December 2010, the sales of DAB products and digital multimedia broadcasting (“DMB”) products of the Group dipped by 34.6% to HK\$15,800,000 compared with HK\$24,175,000 in 2009. The decrease in sales was mainly due to the keen competition in the DAB and DMB product market. However, the rapid evolution of digital technology and different standards in DAB in various countries present an opportunity for the Group in applying its strength in research and development. The Group has launched a turnkey solution in a printed circuit board, the world’s first solution for DAB/DAB+/DMB-A in a digital pocket radio, in May 2010. This product has been successfully field tested and delivered to the United Kingdom, Sweden and France as well as Australia during the year.

In 2010, the Group also launched Wiretape™, an innovative flat flexible cable product designed to remove the hassle of handling multiple connecting wires in homes, offices or automobiles. This breakthrough technology of Wiretape™ has earned the appreciation of the industry, generating initial sales to retail customers in Europe in 2010.

In addition, the sales of tuner modules for HD Radios achieved HK\$12,601,000, an increase of 126.5% compared with HK\$5,564,000 in 2009. Through strong relationships with existing customers, the Group is working with Japanese customers to explore more innovative applications in the future.

於二零一零年十二月三十一日，本集團DAB產品及數碼多媒體廣播（「DMB」）產品的銷售額下滑34.6%至15,800,000港元，而二零零九年則為24,175,000港元。銷售額下降主要由於DAB及DMB產品市場之競爭激烈。不過，數碼科技之快速革新及不同國家的不同DAB標準為本集團在研發方面的實力創造了機會。本集團於二零一零年五月已推出基於印刷線路板的全套解決方案，此乃全球首個袖珍數碼收音機的DAB/DAB+/DMB-A解決方案。該產品已於本年度成功進行實地測試，並已交付予英國、瑞典、法國及澳洲。

於二零一零年，本集團亦推出輕盈片狀纜線產品「Wiretape™」，乃設計成可免除家居、辦公室或汽車內多重電線連接的問題。Wiretape™此一突破性科技已贏得業界讚譽，並於二零一零年開始向歐洲零售客戶銷售。

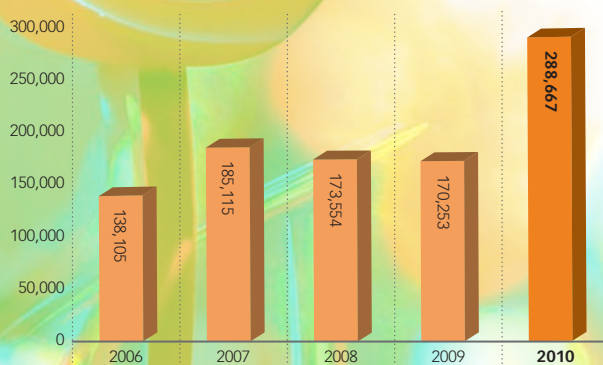
此外，HD收音機調諧器模組業務之銷售額達到12,601,000港元，較二零零九年的5,564,000港元增長126.5%。透過與現有客戶之穩固關係，本集團未來將與日本製造商合作開發更加創新之應用產品。

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Sales of Unit Electronic Components

單位電子元件銷售額

(HK\$'000 千港元)

**Unit electronic components business**

During the year, turnover from the unit electronic components business achieved remarkable growth amounting to HK\$288,667,000 when compared with HK\$170,253,000 in 2009, and accounted for 42.4% of the Group total. Apart from the organic growth from rising sales of its existing products of coils and traditional transformers, the Group has also launched a planar transformer, an innovative product, which was put into mass production in 2010 and boosted sales of the business segment. The Group was the first company in the world to put a planar transformer into mass production, and it is being applied in LED and LCD televisions enabling lighter and flatter form factors. The Group expects this innovative product to be a new growth driver in the coming years as they are widely recognised by the market as having good potential.

Operational efficiency

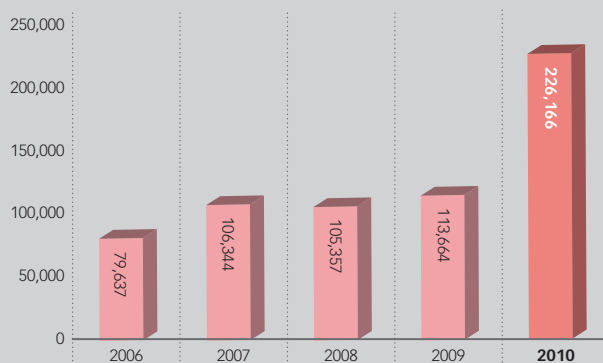
On the other hand, with go-live of an Enterprise Resources Planning (“ERP”) system in the second half of 2010, the Group intends to improve its business processes including research and development, procurement, production, inventory control, sales, cost control, and financial management. This improvement enables the Group to make business and management decisions more effectively and enhance operational efficiency.



Sales of Coils

線圈銷售額

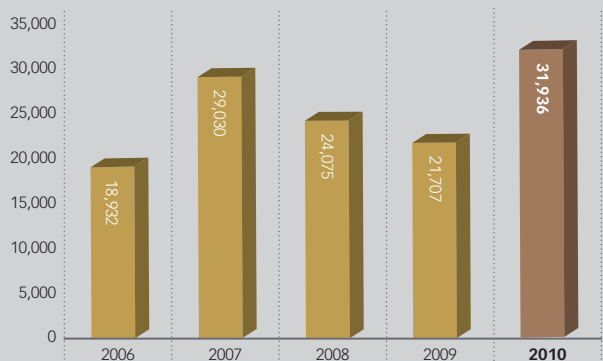
(HK\$'000 千港元)



Sales of Ceramic Components

陶瓷元件銷售額

(HK\$'000 千港元)



單位電子元件業務

年內，單位電子元件業務銷售額顯著增長，達到288,667,000港元（二零零九年：170,253,000港元），佔本集團總銷售額的42.4%。除現存產品線圈及傳統變壓器銷售額增加所產生之實質增長外，本集團還推出一款創新產品平面變壓器，並於二零一零年投入量產，促進了該業務分部的銷售。本集團是全球首家批量生產平面變壓器的公司，該產品被應用於LED及LCD電視機，使外形更輕更平。隨著該創新產品的良好潛力獲得市場廣泛認可，本集團期望其來年能成為新增長力。

營運效率

另一方面，隨著企業資源規劃（「ERP」）系統於二零一零年下半年啟動，本集團計劃改進其業務程序，包括研發、採購、生產、存貨控制、銷售、成本控制及財務管理。是項改進令本集團能更有效地作出業務及管理決策，並提高營運效率。

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Prospect

Looking forward, the Group expects that its tuner modules for home and car audio systems should remain as the major revenue contributors. The Group intends to continue its heavy emphasis on research and development as it is a core competence in driving the Group's sustained development. Moreover, the Group plans to march forward by delivering innovative products for emerging high-growth applications in the future.

To accelerate the pace to commercialize the Group's innovative GRR™ Interface Protocol, it has promoted to major chain-store retailers and international manufacturers to launch the GRR™ Interface Protocol in 2011, either on an OEM basis or by manufacturing applicable end-products based on the GRR™ Interface Protocol technology to be sold through manufacturers and retailers. The Group will work to generate favorable returns from this innovative product in the coming years.

With the trend of the television market towards flatter and lighter television sets, the Group's newly developed planar transformers and GRR™ solutions for LCD and LED televisions, for which the Group has applied patents and a trademark, enabling such form factors are expected to continue gaining in popularity. Moreover, the Group is planning to apply its technology in planar transformers to the electronic systems for electric and hybrid vehicles, where profit margins are relatively higher and with greater market potential. This automotive technology application has been undergoing field testing and is expected to be launched in 2011. With its potentially broad applications, the unique product can open a new growth market for the Group.

In addition, for the automotive electronic components segment, the Group has applied for patents and a trademark for its "Antuna™", the integrated analog and digital tuner with an antenna function for car audio systems, which can upgrade reception quality of radio signals in cars. The new product has been undergoing field-testing and expected to be launched in 2012. It is targeted to be supplied to Korean automobile manufacturers in the PRC and India markets, where radio signal reception in many locations is relatively weak.

Moreover, with the success of the launch of Wiretape™ for home audio and video systems, it is expected that Wiretape™ will achieve satisfactory growth in sales in 2011. The Group is also developing the Wiretape™ application technology for smartphones and cars. The Group is promoting to car manufacturers to extend Wiretape™ sales to the automotive market as well as to expand its distribution networks globally.

前景

展望未來，本集團預計家用及汽車音響調諧器模組將繼續作為其主要收入來源。本集團計劃繼續將研發作為重點，因為它是推動本集團持續發展的核心競爭力。此外，本集團計劃將創新產品投放至新興的高增長應用中作為未來的前進方向。

為加快創新GRR™接口協議的商業化步伐，本集團已敦促主要連鎖零售商和國際生產商於二零一一年推出GRR™接口協議，而不論是以OEM方式，抑或通過生產基於GRR™接口協議技術的適用終端產品而透過製造商和零售商銷售。本集團於未來數年將依託該創新產品努力創造豐厚的回報。

隨著電視機市場的趨勢向更平更輕的電視機邁進，本集團新開發的用於允許該等形狀因素的LCD和LED電視機的平面變壓器和GRR™解決方案（本集團申請專利權和商標）預計將繼續普及。而且，本集團正計劃將其平面變壓器技術應用至電動和混合動力汽車的電子系統，該領域的利潤率相對更高，市場潛力更大。該汽車技術應用正在進行實地測試，預計將於二零一一年推出。憑藉潛在的廣闊應用空間，這一獨一無二的產品可以為本集團打開一個全新的增長市場。

而在汽車電子元件分部方面，本集團已為其「Antuna™」（適用於汽車音響系統，可提升汽車收音機接收的聲音音質，備有天線的集成類比及數碼調諧器模組）申請專利權及商標。該新產品已在進行實地測試，預計將於二零一二年推出。該產品以中國和印度市場（不少地方於接收收音機訊號方面較差）的韓國汽車製造商為供應對象。

此外，隨著適用於家用音頻和視頻系統的Wiretape™的成功推出，預計Wiretape™的銷售額於二零一一年將取得令人滿意的增長。本集團亦正在開發一項在智能手機和汽車中應用Wiretape™的技術。本集團正與汽車製造商磋商，向汽車市場銷售Wiretape™，並在全球範圍

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Tapping the burgeoning smartphone and smart television segment, the Group is optimistic in the growth potential by developing the Wiretape™ application technology in these product areas as well.

In July 2010, the Group completed acquisition of a parcel of land in Korea to construct a new facility to better expedite the Group's future business growth. Construction has started in December 2010 and is to be completed by the end of 2011. The Group believes that this new facility can enhance the Group's research and development, manufacturing, and sales and marketing as well as its overall administration. This in turn will strengthen the Group's business competitiveness and consolidate its market position in Korea.

In addition, the Group is planning to set up a new manufacturing plant in Baoying Anyi New and High Technology Industrial Zone in Jiangsu Province, the PRC, to facilitate the Group's expansion in the Mainland market as well as the export of goods to Korea and Japan. With a gross floor area of approximately 12,000 square meters, the plant is to produce electronic components for automotive, communications and household electronic products. The new plant is to be completed in two phases. Phase 1 of the plant is to commence operation near the mid of 2011 at a temporary facility provided by the local government free of charge for one-and-a-half-year until the Group completes its own production facility by the end of 2012.

The management will make every effort to fortify the Group's leadership position in the electronic components industry by providing innovative total solutions to its clients and to increase its economies of scale. The Group will also continue to strive to deliver the best returns to shareholders and high quality products to customers in the future.

Corporate social responsibility

As a caring corporation, the Group has been active in fulfilling its social responsibilities to stakeholders and society alike. The Group's corporate social responsibility efforts fall into the categories described below.

1. Marketplace

In the interest of shareholders, we have adhered to the business objectives of contributing to the sustainable development of the electronic industry and improving consumer electronics to heighten efficiency and deliver the best user experience. To these ends, the Group invests substantially in research and development and internal quality control to ensure the continuous delivery of high

內擴大其分銷網絡。憑藉迅速發展的智能手機和智能電視機之業務，本集團看好在該等產品領域發展 Wiretape™ 應用技術的增長潛力。

於二零一零年七月，本集團完成收購位於韓國的一幅土地，用以興建新設施，更快促進本集團於未來的業務增長。有關建設已於二零一零年十二月動工，將於二零一一年年底前竣工。本集團認為，該新設施能提升本集團的研發、生產、銷售和營銷以及整體管理，從而提高本集團的業務競爭力，鞏固在韓國的市場地位。

此外，本集團正計劃在中國江蘇省寶應安宜高新園區建立一家新製造廠，以利於本集團在內地市場的拓展及向韓國和日本出口貨物。該工廠的總建築面積約 12,000 平方米，為汽車、通訊和家用電子產品生產電子元件。新工廠將分兩期建成。該工廠的第一期項目將於二零一一年年中在當地政府提供的臨時設施（一年半免費期）開始營運，直到本集團於二零一二年年底前建成自己的生產設施為止。

管理層將通過向客戶提供創新的全面解決方案及擴大經濟規模，盡一切努力鞏固本集團在電子元件行業的領導地位。本集團於未來亦將繼續努力，為股東創造最大回報，向顧客提供優質產品。

企業社會責任

作為一家關懷社會的企業，本集團積極地履行其企業社會責任，維護本公司所有利益相關者以及社會之利益。本集團在企業社會責任方面所作出的努力可分為下列幾類。

1. 市場

為符合股東之利益，本集團堅持為電子業的可持續發展作出貢獻，以及改善消費者電子產品以提高效率及帶來最佳客戶體驗的商業目標工作。為此，本集團大量投資於研究、開發及內部質量監控，以確保不

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quality and reliable products to customers. The Company complies with the requirements of ISO/TS 16949:2002 in the design and manufacturing of car tuners. We are also compliant with ISO 9001:2000 in the production and servicing of electronic products, specifically transformers, intermediate frequency transformers, antennas, filters, coils, coil inductors, electrical meters, dielectric filters, tuners, tuner modules, wireless modules, switching mode power supplies, digital tuner modules for DAB and digital amplifiers. From time to time, the Group has earned customers' performance certificates that signify recognition of the Group's efforts and appreciation of the quality of the Group's products.

The Company recognises the need and the benefits of cooperation between the industry and universities. It hopes to harness the resources of universities and graduate schools to prepare training sessions that can help develop the business and management expertise of its professionals enabling us to compete globally. In return, the Company provides consultancy services to these institutions and financial aid and internships to students of the universities.

2. *Employee health and welfare*

Concerned about the health and work safety of its staff, the Group has appropriate safety systems and measures in place to minimise staff exposure to potentially hazardous materials or adverse working conditions. As an equal opportunity employer, the Group strives to provide a fair work environment to employees and does not tolerate any form of harassment or discrimination in respect of employment and occupation. To retain the best talent, the Group ensures its employee remuneration packages are competitive and that rewards are linked with performance excellence.

With a view to nurture their professional development, the Group also provides in-house training to employees, not only to upgrade their professional competency but also to boost efficiency in implementing and adhering to internal procedures and enhancing processes, while strengthening their understanding of the Group's culture. To achieve better communication within the organisation and more constructive interaction among various divisions, the Group has launched an internal seminar presentation programme to provide insights into its operations and developments within each division, thereby broadening employees' knowledge of the Group as a whole. To encourage staff to participate in the programme, prizes are to be rewarded to the best presenter of the programme.

斷生產優質可靠之產品予客戶。本集團亦符合多項標準：ISO/TS16949:2002之汽車調諧器的設計和製造，ISO 9001:2000標準之電子產品生產及服務，特別是變壓器、中周、天線、濾波器、線圈、電感器、電子儀表、誘電體濾波器、高頻頭、調諧器模組、無線接收器、開關電源板、數碼廣播接收器及數碼功率放大器。本集團在這方面的努力，贏得不少來自客戶的認同。本集團不時收到客戶之表現證書，肯定本集團的努力並對本集團的產品質量表示嘉許。

本公司認同業界與大學合作的需要及裨益。本公司期望借助大學及若干研究院的資源訂制培訓，以助發展員工的業務及管理專業知識，應付全球競爭。本公司亦會向大學學生提供諮詢服務、資助及實習。

2. *僱員健康及福利*

本集團一向關注僱員的健康及工作安全，已設置適當的安全系統及措施，以減低僱員接觸潛在有害物質或處於惡劣環境工作。作為平等機會僱主，本集團確保各僱員均享有平等機會，且不容許有關就業及職業上的任何騷擾或歧視行為。為挽留最佳人才，本集團確保僱員薪酬待遇具競爭力，並因應其卓越表現作出獎勵。

為了培育僱員的專業發展，本集團亦向他們提供內部培訓，不單協助他們提升專業技能、也為了提高實行內部程序的效率並緊跟流程，以及加強他們對本集團文化的理解，並發展他們的專業知識。為了促進組織內更良好溝通和各不同部門間更富建設性的互動，本集團推出了一項內部研討演示計劃，深入介紹各部門的運作及發展，從而擴闊僱員對本集團整體的認識。為鼓勵僱員參與計劃，計劃的最佳演示員將獲發獎項。

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The Group also encourages employees to take external job-related courses and sponsors such initiatives when appropriate. As a part of the job orientation, all new employees are required to take programs on topics including internal control and information protection as well as ISO and quality management systems.

It also arranges regular health checks for all employees to ensure their health and therefore their productivity at work. In case of sickness, employees are protected by comprehensive group medical insurance policies. Retirement and comprehensive pension funds are also provided to employees in accordance to relevant legislation.

3. Environment and Community

The Company complies with the requirements of ISO 14001:2004 in its environmental management systems. The Group also continues to make sure that its products comply with the European Union's environmental protection guidelines, including the Directive on the Restriction of the use of certain Hazardous Substances in Electrical Equipment ("RoHS") in manufacturing activities. All products manufactured by the Group are lead-free and RoHS compliant.

The Group also encourages employees to save energy and resources. To cut down on paper consumption, it encourages double-sided printing and printing when only necessary. It also relays energy-saving tips to staff members through a daily learning program. During the year, the Company also made donations to charities to help the needy.

Appreciation

On behalf of the management, I would like to take this opportunity to extend my gratitude to all the staff for their dedication throughout the year. At the same time, I also wish to express my appreciation to our customers, suppliers, business partners and shareholders for their continuing support. We will continue to dedicate our efforts in order to generate optimum returns for our shareholders in the long run.

Yang Jai Sung
Chief Executive Officer

Hong Kong, 25 March 2011

本集團亦鼓勵僱員報讀外界與工作相關的課程，並在適當情況下就此作出贊助。所有新僱員均須參加內容包括內部監控及資訊保護、ISO及質量管理系統的課程，作為入職迎新的一部份。

本集團亦為全體僱員安排定期體檢，確保他們的健康並在工作上具生產力。如有染病，僱員亦獲本集團的全面醫療保險政策所保障。另外，亦有根據相關法例，向僱員提供退休福利及全面退休金。

3. 環境及社會

本集團符合ISO 14001:2004環境管理體系之標準。本集團並持續確保產品符合歐盟環保指引，包括其生產程序符合在電氣電子設備中限制使用某些有害物質指令（「RoHS」）的規條。本集團生產的所有產品均不含鉛並已符合RoHS。

本集團亦鼓勵僱員節省能源及資源。為減少耗紙，本集團鼓勵雙面打印及僅於必要時打印。本集團亦透過每日學習計劃向員工傳達節能小知識。年內，本公司亦有捐款予慈善團體，幫助有需要人士。

致謝

本人謹此代表管理層，藉此機會感謝所有員工於整年一直熱誠投入工作。與此同時，亦感謝客戶、供應商、業務夥伴及股東們對本集團從不間斷的支持。我們將繼續努力，以為股東締造長遠的理想回報。

行政總裁
梁在星

香港，二零一一年三月二十五日



Corporate Governance Report 企業管治報告書

We have been actively **fulfilling our social responsibilities**, contributing to the development of a harmonious society as well as protection of stakeholders' interests



我們積極履行
企業社會責任，
為和諧社會作出
貢獻和維護利益
相關者的權益

Corporate Governance Report 企業管治報告書

Code on corporate governance practices

The Company strives to attain high standards of corporate governance practices in order to enhance the shareholders' value and stakeholders' interests. The Company emphasizes on the quality of the Board, effective internal control, stringent disclosure practices, an ethical corporate culture and accountability to all stakeholders under its corporate governance principles.

Attendance record for the board and board committee meetings in 2010

The number of Board and various Board committee meetings, attended by each director for the year ended 31 December 2010, are shown as follows:-

企業管治常規守則

本公司致力達至高水平的企業管治，從而提升股東價值及所有利益相關者之權益。本公司依據已採納的企業管治原則，著重於建立高素質的董事會、有效的內部監控、嚴格的披露常規、高度操守的企業文化以及對所有利益相關者作出之問責性。

二零一零年董事會及各董事委員會會議之出席記錄

截至二零一零年十二月三十一日止年度各董事所出席董事會及各董事委員會會議次數載列如下：

		No. of meetings attended/held 會議出席／舉行次數			
		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Executive Committee 執行委員會
Non-executive director Mr. Yang Ho Sung	非執行董事 梁皓星先生	5/6	1/2	n/a 不適用	n/a 不適用
Executive directors Mr. Yang Jai Sung	執行董事 梁在星先生	6/6	n/a 不適用	3/3	3/3
Mr. Lee Kyu Young	李圭英先生	6/6	n/a 不適用	n/a 不適用	3/3
Mr. Woo Nam Jin (note)	禹南珍先生(附註)	0/1	n/a 不適用	n/a 不適用	0/1
Independent non-executive directors Dr. Han Byung Joon	獨立非執行董事 韓丙濬博士	5/6	2/2	3/3	n/a 不適用
Dr. Kim Chung Kweon	金正權博士	6/6	2/2	3/3	n/a 不適用
Mr. Kim Chan Su	金瓚洙先生	5/6	2/2	3/3	n/a 不適用

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Note: Mr. Woo Nam Jin resigned as an executive director of the Company and a member of the Executive Committee on 29 January 2010. During the fiscal year of 2010, one Board Meeting and one Executive Committee Meeting have been held within his service period.

Set out below are the summarised key components of corporate governance practices adopted by the Company.

The board of directors

The Company's overall management is vested in its Board, which up to the latest practicable date comprises six members, coming from diverse businesses and professional backgrounds as shown in biographical details set out on pages 38 to 47 in this annual report. The Board comprises non-executive director Mr. Yang Ho Sung (Chairman), executive directors Mr. Yang Jai Sung and Mr. Lee Kyu Young, and independent non-executive directors Dr. Han Byung Joon, Dr. Kim Chung Kweon and Mr. Kim Chan Su.

The Board meets at least four times annually to review business development and overall strategic policies. The attendance record of individual Board members during the year set out in the table on page 30 of this report.

To facilitate the operation of the Board, the Board has established a schedule of matters reserved for its approval. The specific responsibilities reserved for the Board include: setting the Group's strategy and dividend policy, approving budgets, reviewing operational and financial performance, approving major investments and divestments, reviewing the internal control system of the Group, ensuring appropriate management development and succession plans in place, approving appointments of and remuneration policy for directors and other senior executives, approving corporate social responsibility policies and ensuring effective communication with shareholders.

For the financial reporting accountability, the Board has an ultimate responsibility for preparing the financial statements. In preparing the financial statements, (a) the generally accepted accounting standards in Hong Kong have been adopted; (b) appropriate accounting policies have been used and applied consistently; and (c) reasonable and prudent judgments and estimates have been made. Moreover, the Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the financial statements.

附註：禹南珍先生於二零一零年一月二十九日辭去本公司執行董事及執行委員會成員職務。於二零一零年財政年度內，在其服務期間內已召開一次董事會會議及一次執行委員會會議。

本公司所採納之企業管治常規之主要概要載列於下文。

董事會

本公司之整體管理由董事會負責，至最後實際可行日期，董事會由六名成員組成，彼等擁有不同行業及專業背景，詳情請參閱載於本年報38至47頁之履歷詳情。董事會成員包括非執行董事梁皓星先生（主席），執行董事梁在星先生及李圭英先生，獨立非執行董事韓丙濬博士、金正權博士及金瓚洙先生。

董事會每年最少舉行四次會議，以檢討業務發展及整體策略政策。於年內，個別董事會成員之出席記錄載於本報告第30頁之表內。

為方便董事會運作，董事會制定了一份項目清單並保留其決定權。董事會之指定責任包括：制定本集團整體策略及股息政策、通過預算案、檢討營運及財務表現、批准重大投資及撤資、檢討本集團內部監控系統、確保有適當管理發展及延續計劃、通過委任董事及其他高級行政人員並釐訂彼等之薪酬政策、批准企業社會責任政策及確保與股東進行有效溝通。

就財務申報之問責性而言，董事會有編製財務報表之最終責任。在編製財務報表時，(a) 香港公認之會計準則已予採納；(b) 適當會計政策已予使用及貫徹應用；及(c) 合理及審慎之判斷和估算已予作出。此外，董事會並不知悉有任何重大不明確因素致使本集團持續經營之能力存在疑問。為此，董事會在編製財務報表時繼續採用持續經營基準。

Corporate Governance Report 企業管治報告書

Being part of good corporate governance practice, a number of Board committees have been established. These committees include three corporate governance related committees namely Executive Committee, Remuneration Committee and Audit Committee as well as one ad hoc committee namely Independent Board Committee which is responsible for advising the matters in relation to the continuing connected transactions. These committees operate within specific terms of reference as prepared by the Company and report their work and findings to the Board regularly. The terms of reference have been posted on the Company's website at www.kse.com.hk.

Executive committee

The Board has delegated certain authorities and responsibilities to the executive directors, including, but not limited to, the development of strategic plans for the consideration of the Board, implementation of the strategies and policies of the Group as determined by the Board, monitoring of the daily operation and financial results against plans and budgets, guiding the Company in various corporate affairs. The Executive Committee, formed by all executive directors from time to time and convey the meeting when required by the committee chairman. As the date of this report, the Executive Committee comprised by Mr. Yang Jai Sung (Committee Chairman) and Mr. Lee Kyu Young.

During the year, the Executive Committee met three times with the attendance record of individual committee members set out in the table on page 30 of this report.

Remuneration committee

The Remuneration Committee of the Company comprises three independent non-executive directors namely Dr. Han Byung Joon (Committee Chairman), Dr. Kim Chung Kweon and Mr. Kim Chan Su, and one executive director namely Mr. Yang Jai Sung.

During the year, the Remuneration Committee met three times with the attendance record of individual committee members set out in the table on page 30 of this report.

The principal responsibilities of the Remuneration Committee are (a) reviewing the remuneration packages of directors and senior management and (b) making recommendations to the Board on the remuneration structure. The Remuneration Committee regularly reviews and guides the formulation of the Group's remuneration policy for directors and senior management attributable to performance-driven compensation commitment as well as market trend and industry norms. The details of the emoluments of the directors are disclosed in the note 13 of the financial statements on a namely basis.

作為良好企業管治之部份措施，本公司已成立多個董事會轄下的委員會。該等委員會包括三個與企業管治有關的委員會，即執行委員會、薪酬委員會和審核委員會，以及一個負責就持續關連交易提供意見之特設委員會，即獨立董事委員會。該等委員會均按由本公司編製之特定職權範圍操作並且定期向董事會匯報彼等之工作及調查結果。職權範圍載於本公司網站 www.kse.com.hk。

執行委員會

董事會已授出若干權力及責任予執行董事，包括但不限於發展策略性計劃以供董事會考慮、實施董事會決定之本集團策略及政策、監管日常營運表現及財務業績以對比計劃及預算中的情況，多方面指導企業事務。執行委員會由所有執行董事不時組建並按委員會主席要求召開會議。於本報告日期，執行委員會由梁在星先生（委員會主席）及李圭英先生組成。

年內，執行委員會召開了三次會議，個別委員會成員之出席記錄載於本報告第30頁之表內。

薪酬委員會

本公司薪酬委員會由三名獨立非執行董事韓丙濬博士（委員會主席）、金正權博士與金瓚洙先生及一名執行董事梁在星先生組成。

年內，薪酬委員會召開了三次會議，個別委員會成員之出席記錄載於本報告第30頁之表內。

薪酬委員會之主要責任為(a)檢討董事及高層管理人員之薪酬組合及(b)就薪酬架構向董事會作出建議。薪酬委員會定期檢討及指導本集團董事及高層管理人員之薪酬政策之編製。薪酬政策乃根據與表現掛鉤之報酬承諾，並參考市場趨勢及行業慣例釐訂。董事之酬金詳情以具名方式披露於財務報表附註13。

Corporate Governance Report 企業管治報告書

No director can take part in any discussion about his or her own remuneration.

During the year, the Remuneration Committee has reviewed the remuneration packages of directors and senior management according to the Group's employment policy, nomination policy, remuneration policy, training and development policy and communication policy which have been formulated and adopted by the Remuneration Committee.

Nomination of directors

The Company has not established a nomination committee. The nomination and appointment of any new director(s) would be administered by the Remuneration Committee according to the adopted selection criteria and evaluation processes as set out in the director nomination policy.

The objectives of this director nomination policy is to ensure the Board is properly constituted with a balanced mix of skills, qualifications and experiences to meet its fiduciary obligations to the Company and its shareholders as well as to face the Company's current and emerging operating and strategic challenges and opportunities.

Audit committee

The Audit Committee of the Company comprises three independent non-executive directors namely Mr. Kim Chan Su (Committee Chairman), Dr. Kim Chung Kweon and Dr. Han Byung Joon, and one non-executive director namely Mr. Yang Ho Sung.

During the year, the Audit Committee met twice with the external auditors without the presence of any executive director. The complete attendance records of individual committee members have been set out in the table on page 30 of this report.

The principal responsibilities of the Audit Committee are:-

- (1) monitoring the integrity of financial reporting of the Company;
- (2) reviewing the internal control and risk management systems of the Group; and
- (3) reviewing the corporate governance practices of the Company.

並無董事可參與關於自己薪酬之討論。

年內，薪酬委員會已根據其制訂及採納之本集團聘用政策、提名政策、薪酬政策、培訓及發展政策、及溝通政策，檢討董事及高層管理人員之薪酬待遇。

董事提名

本公司並無建立提名委員會。提名及委任任何新董事將由薪酬委員會根據載於董事提名政策所採用之甄選準則及評核過程而進行。

董事提名政策之目標為確保董事會由具備不同技能、資格及經驗的人士均衡組成，從而向本公司及其股東履行其受委託之責任，以及面對本公司現時及可能出現的營運及策略上的挑戰及機會。

審核委員會

本公司審核委員會由三名獨立非執行董事金瓊洙先生（委員會主席）、金正權博士與韓丙濬博士及一名非執行董事梁皓星先生組成。

年內，審核委員會在並無執行董事參與的情況下與外聘核數師舉行了兩次會議。個別委員會成員之所有出席記錄已載於本報告第30頁之表內。

審核委員會之主要職責為：

- (1) 監察本公司財務報告之完整性；
- (2) 檢討本集團內部監控及風險管理系統；及
- (3) 檢討本公司之企業管治常規。

Corporate Governance Report 企業管治報告書

During the year, the Audit Committee has:-

- (1) reviewed the 2009 annual report and accounts;
- (2) reviewed the 2010 interim report and accounts;
- (3) monitored the effectiveness of the financial reporting and audit processes;
- (4) reviewed the Group's financial controls, internal control and risk management systems;
- (5) considered and determined the scope of internal control review for the year 2010;
- (6) discussed with the management about findings of the internal control review prepared by external independent professionals;
- (7) conducted the discussions with external auditors regarding the financial reporting and relevant compliance;
- (8) reported all relevant matters to the Board from time to time; and
- (9) reviewed the auditors' remuneration and recommended the Board to re-appoint SHINEWING (HK) CPA Limited as Company's auditors in the year 2011, which is subject to the approval of shareholders at the forthcoming AGM.

In addition, the Audit Committee had reviewed, discussed and approved the annual results of the Group for the year ended 31 December 2010.

Auditors

The financial reporting responsibilities of the auditors are set out on pages 63 to 64 of this annual report.

During the fiscal year of 2010, the fees paid/payable to the auditors in respect of audit and non-audit services provided by the auditors to the Group were as follows:

Nature of services

		HK\$'000 千港元
Audit services	核數服務	475,000
Non-audit services	非核數服務	
Tax services	稅務服務	3,000
Other services	其他服務	130,000

Independent board committee

The Board committed to seek the best interests for the shareholders of the Company. In this connection, an ad hoc Independent Board Committee has been established and comprised by Mr. Kim Chan Su (Committee Chairman), Dr. Kim Chung Kweon and Dr. Han Byung Joon, to consider and review matters regarding the continuing connected transactions of the Group and advise the same to the independent shareholders whether the transactions are fair and reasonable and in the interests of the Company and shareholders as a whole. All members comprised in the committee are the independent non-executive directors of the Company.

年內，審核委員會已：

- (1) 審閱二零零九年年報及賬目；
- (2) 審閱二零一零年中期報告及賬目；
- (3) 監督財務報告及審核程序的成效；
- (4) 檢討本集團之財務監控、內部監控及風險管理系統；
- (5) 考慮及釐定二零一零年內部監控檢討的範疇；
- (6) 與管理層討論外聘獨立專業人士所編製內部監控檢討報告內的發現；
- (7) 與外聘核數師就財務報告及有關合規事宜進行商討；
- (8) 不時向董事會匯報所有相關事項；及
- (9) 審核核數師酬金及建議董事會重新委任信永中和(香港)會計師事務所有限公司為本公司二零一一年之核數師，惟需於應屆股東週年大會上獲股東批准。

此外，審核委員會已審閱、討論及批准本集團截至二零一零年十二月三十一日止年度之全年業績。

核數師

核數師之財務申報責任載於本年報第63至64頁。

於二零一零年財政年度內，就核數師向本集團提供核數及非核數服務之已支付/應付予核數師之費用如下：

服務性質

	HK\$'000 千港元
Audit services	475,000
Non-audit services	
Tax services	3,000
Other services	130,000

獨立董事委員會

董事會致力為本公司股東爭取最佳利益。為此，本公司已成立特設獨立董事委員會，並由金瓊洙先生(委員會主席)、金正權博士及韓丙濬博士組成，以考慮及檢討有關本集團持續關連交易之事宜，並就交易是否公平、合理及符合本公司與股東整體利益而向獨立股東提供相關意見。獨立董事委員會全部成員均為本公司獨立非執行董事。

Corporate Governance Report 企業管治報告書

The separate roles of the chairman and chief executive officer

The division of responsibilities between the Chairman of the Board, Mr. Yang Ho Sung, and the Chief Executive Officer, Mr. Yang Jai Sung, is clearly defined and has been approved by the Board. The Chairman provides leadership of the Board, ensures the effectiveness of the Board and oversees the corporate development; while the Chief Executive Officer, as head of the executive directorate, is responsible for managing the business development and strategic planning of the Group.

Their separate roles reinforce the continuous enhancement of the Group's corporate governance in terms of corporate fairness, transparency and accountability.

Directors and directors' independence

There are no financial, business, family or other material/relevant relationship(s) among members of the Board except that Mr. Yang Jai Sung (Chief Executive Officer) is the younger brother of Mr. Yang Ho Sung (Chairman of the Board).

The directors are given access to independent professional advice at the Group's expense, when the directors deem it necessary in order to carry out their responsibilities.

The Board also advocates the participation of non-executive director and independent non-executive directors in various board committees to safeguard objectivity and independence.

Non-executive directors have been appointed under specific terms of employment. The appointment of Mr. Yang Ho Sung as a non-executive director of the Company has been renewed and with effect from 1 March 2011 for another two years, and the appointments of Dr. Kim Chung Kweon, Dr. Han Byung Joon and Mr. Kim Chan Su, as the independent non-executive directors of the Company have been renewed and with effect from 11 October 2010 for another two years. All directors, including the executive directors and non-executive directors, are subject to retirement by rotation and re-election of their directorship in the Company as set in the Company's Articles of Association.

The Company has received the confirmation letters from each of the independent non-executive directors that confirming their independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company considers all independent non-executive directors are independent.

區分主席及行政總裁職能

董事會主席梁皓星先生及行政總裁梁在星先生兩人之職責已清楚劃分，並已獲董事會批准。主席負責領導董事會、確保董事會之有效運作及監督企業發展；而行政總裁為執行董事之首，負責管理本集團之業務發展及策略規劃。

彼等之職能區分進一步提升本集團以公平、高透明度及問責為原則的企業管治。

董事及董事之獨立性

除梁在星先生（行政總裁）為梁皓星先生（董事會主席）之弟外，董事會成員間並無財務、業務、家族或其他重大／相關關係。

倘董事認為必須尋求獨立專業顧問之意見以協助履行彼等之職責，有關費用由本集團支付。

董事會亦鼓勵非執行董事及獨立非執行董事參與各董事委員會，從而達致客觀性及獨立性。

非執行董事根據特定的聘用任期獲委任。梁皓星先生擔任本公司非執行董事之委任已予重續，並於二零一一年三月一日起生效，任期為兩年；金正權博士、韓丙濬博士及金瓊洙先生擔任本公司獨立非執行董事之委任已予重續，並於二零一零年十月十一日起生效，任期均為兩年。所有董事，包括執行董事及非執行董事，均須根據本公司之組織章程細則輪值告退本公司董事職務及膺選連任。

本公司已接獲各名獨立非執行董事依據香港聯合交易所有限公司證券上市規則（「上市規則」）第3.13條就其獨立身份之確認函。本公司認為所有獨立非執行董事均為獨立個體。

Corporate Governance Report 企業管治報告書

Internal controls

The Board is responsible for reviewing the effectiveness of the internal control system of the Group. The scope of the review is determined and recommended by the Audit Committee and approved by the Board annually. The review covers:-

- (1) all material controls, including but not limited to financial, operational and compliance controls;
- (2) risks management functions; and
- (3) the adequacy of resources, qualifications and experience of staff in connection with the accounting and financial reporting function of the Group and their training programmes and relevant budget.

The Board has engaged external independent professionals to conduct a review of the Group's internal control system during the year. An internal control review report was presented to the Audit Committee.

The Audit Committee is satisfied with the Group's internal control system. The system is designed in consideration of the nature of business and the organisation structure. The system is designed to manage rather than eliminate the risk of failure in operational system and to provide reasonable, but not absolute, assurance against material misstatement or loss. The system is designed further to safeguard the Group's assets, maintain appropriate accounting records and financial reporting, achieve efficiency of operations and ensure compliance with the Listing Rules and all other applicable laws and regulations.

The Group will continue to engage external independent professionals to review its internal control system and further enhance its internal control as appropriate.

There is currently no internal audit function within the Group. The Board has reviewed the need for an internal audit function and is of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit functions for the Group as the need arises. Nevertheless, the Board will continue to review the need for an internal audit function annually.

Compliance of code on corporate governance practices

The Company is committed in achieving a high standards of corporate governance so as to ensure better transparency and protection of shareholders' interest. The Company has complied with the code provisions as set out in the Appendix 14, code on Corporate Governance Practices, of the Listing Rules throughout the year ended 31 December 2010.

內部監控

董事會負責檢討本集團內部監控系統之成效。每年檢討之範疇由審核委員會釐定及推薦，並由董事會批准。檢討涵蓋：

- (1) 所有重大監控，包括但不限於財務、營運及合規監控；
- (2) 風險管理職能；及
- (3) 本集團在會計及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是否充足。

董事會已於年內外聘獨立專業人士就本集團的內部監控系統進行檢討。內部監控檢討報告已呈交予審核委員會。

審核委員會信納，本集團的內部監控系統在制定時已考慮到其業務性質及組織架構。系統的目的在於管理而非排除營運系統的失誤風險，以及合理而非絕對地保證不會出現重大虛假陳述或損失。該系統的另一個目的在於保障本集團的資產，保存適當的會計紀錄及財務報告，維持有效的營運及確保遵守上市規則及所有其他適用法律及規例。

本集團將繼續聘請外來獨立專業人士檢討其內部監控系統，並在適當時候進一步加強其內部監控。

現時本集團並無內部核數功能。董事會已檢討內部核數功能之需要，彼等認為以本集團之規模、業務性質及複雜性而言，在需要時外聘獨立專業人士為本集團進行內部核數工作，更具成本效益。然而，董事會將持續每年檢討內部核數之需要。

遵守企業管治常規守則

本公司承諾恪守嚴謹之企業管治，以提高透明度及保障股東整體利益。截至二零一零年十二月三十一日止整個年度內，本公司已遵守上市規則附錄14《企業管治常規守則》所載的守則條文。

Corporate Governance Report 企業管治報告書

Model code for securities transactions by directors

The Company has adopted Appendix 10, Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules (the “Model Code”) as the code of practice for carrying out securities transactions by the directors of the Company. The Company, having made specific enquiries to all directors of the Company, confirmed that throughout the year ended 31 December 2010, all directors have complied with the code provisions as set out in the Model Code. The relevant employees who, because of their office in the Company, are likely to be in possession of unpublished price sensitive information, have been requested to comply with the provisions of the Model Code.

Investor relations

The Board recognises the importance of maintaining effective communications with shareholders. Annual reports and interim reports provide shareholders with comprehensive information of the Group’s operational and financial performances; while general meetings offer a platform for shareholders to state and exchange views with the Board directly. An explanation of the detailed procedures for conducting a poll will be provided to shareholders at the commencement of general meeting, to ensure that shareholders are familiar with such procedures. The forthcoming AGM will be held at Conference Hall 03, 1/F., Core Building 1, Phase 1, No. 1 Science Park East Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong on Friday, 27 May 2011, the notice of which will be sent to shareholders at least 20 clear business days before the meeting. Shareholders may refer to the section “Corporate Information and Shareholders’ Calendar” in this annual report for information.

The management continually communicates with analysts and institutional investors and provides them with up-to-date and comprehensive information regarding the Group’s development. The Company practices timely dissemination of information and makes sure its website www.kse.com.hk contains the most latest information, including but not limited to annual reports, interim reports, announcements, monthly returns and press releases, and is updated in a timely manner to ensure transparency.

董事進行證券交易標準守則

本公司已採納上市規則附錄10之《上市發行人董事進行證券交易的標準守則》(「標準守則」)，作為本公司董事進行證券交易的行為守則。本公司向本公司所有董事作出具體查詢後確認，截至二零一零年十二月三十一日止年度，所有董事均有遵守標準守則所載之守則條文。該等由於在本公司所持有之職務而可能擁有未經發布然對股價敏感的資料之有關僱員已被要求遵守標準守則所載之守則條文。

投資者關係

董事會了解與股東維持有效溝通的重要性。年報及中期報告為股東提供本集團營運及財務表現之詳盡資料，而股東大會則提供平台讓股東表達意見及與董事會直接交換意見。本公司亦會於股東大會開始時向股東講解有關投票表決程序，以確保各股東明白該等程序。應屆股東週年大會將於二零一一年五月二十七日(星期五)假座香港新界沙田香港科學園科技大道東一號一期核心大樓一座一樓會議廳三舉行，有關通告最遲將於大會前20個營業日郵寄予各股東。股東可於本年報內之「公司資料及股東日程表」參考有關資料。

管理層持續與分析員及機構投資者溝通，並向彼等提供有關本集團發展之最新及詳盡之資料。本公司實行及時發放資料之措施及確保其網站 www.kse.com.hk 載有最新資料，包括但不限於年報、中期報告、公告、月報表及新聞公布，並經常更新以確保透明度。

Directors and Senior Management 董事及高層管理人員

CHAIRMAN & NON-EXECUTIVE DIRECTOR 主席兼非執行董事



YANG Ho Sung 梁皓星

Mr. YANG Ho Sung, aged 62, is the chairman and a non-executive director of the Company. He is mainly responsible for providing management advice on the corporate development of the Group. He holds a bachelor's degree in architectural engineering from Hanyang University in Korea. He gained 33 years of experience in the electronics industry as a director in Kwang Sung Electronics Co., Ltd. ("Kwang Sung Korea") and 28 years of experience as a representative director of Samkor Electronics Co., Ltd. He joined the Group in 2002. Mr. Yang Ho Sung is the elder brother of Mr. Yang Jai Sung.

梁皓星先生，62歲，為本公司之主席兼非執行董事，主要負責在本集團之企業發展上提供管理意見。彼持有韓國漢陽大學建築工程學士學位，於電子行業有三十二年經驗，並出任株式會社光星電子（「韓國光星」）之董事及曾出任三高電子（株）之代表董事二十八年。彼於二零零二年加入本集團。梁皓星先生為梁在星先生之兄長。

Directors and Senior Management 董事及高層管理人員



CEO & EXECUTIVE DIRECTOR 行政總裁兼執行董事

YANG Jai Sung 梁在星

Mr. YANG Jai Sung, aged 51, is the chief executive officer and an executive director of the Company. He is primarily responsible for the overall corporate strategies and business development of the Group, leading the Group's management, including management of the Group's factories in the PRC. Externally, he is a director of Korean Chamber of Commerce. Mr. Yang holds a bachelor's degree in law from Yonsei University in Korea. Prior to joining the Group in 1991, he worked in Daewoo Heavy Industries and Machinery Co., Ltd. for 9 years and has extensive experience in the manufacturing industry. Mr. Yang Jai Sung is the younger brother of Mr. Yang Ho Sung, and he is also a director and shareholder of Kwang Sung Korea, a substantial shareholder of the Company. Relevant information are set out under the section "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debenture" of the Annual Report.

梁在星先生，51歲，本公司之行政總裁兼執行董事。彼主要負責本集團之整體企業策略及業務發展，並領導本集團的管理層，包括本集團中國工廠之管理。在外而言，彼為韓人工商會之董事。梁先生持有韓國延世大學法律學士學位。於一九九一年加入本集團前，彼曾在大宇重工業任職九年，在製造業擁有廣泛經驗。梁在星先生為梁皓星先生之胞弟，並為本公司主要股東韓國光星之董事。相關詳情載於本年報「董事及最高行政人員於股份、相關股份及債券之權益及淡倉」內。

Directors and Senior Management 董事及高層管理人員

EXECUTIVE DIRECTOR

執行董事



LEE Kyu Young 李圭英

Mr. LEE Kyu Young, aged 48, is the chief operating officer and an executive director of the Company. He is mainly responsible for international marketing, new business development and strategic planning of the Group. He holds a bachelor's degree in electronic engineering from Kwangwoon University in Korea. He has over 22 years of experience in world-renowned international companies including LG Electronics (Information & Communications Business Division) and Hewlett Packard, specialized in satellite and wireless communication. He joined the Group in 2006.

李圭英先生，48歲，本公司營運總監兼執行董事。彼負責發展國際市場，發展新業務及本集團之策略計劃。彼持有韓國光雲大學電子工程學士學位。彼曾在多間國際知名公司包括LG Electronics（資訊及通訊業務部）及Hewlett Packard任職，在衛星通訊及無線電通訊方面擁有超過二十二年經驗。彼於二零零六年加入本集團。

INDEPENDENT NON-EXECUTIVE DIRECTORS

獨立非執行董事



HAN Byung Joon 韓丙濬

Dr. HAN Byung Joon, aged 51, has been appointed as independent non-executive director of the Company since October 2002. He holds a bachelor's degree in engineering from Hanyang University, Korea, a master's degree in science from Tennessee Technological University, a master's degree of philosophy from Columbia University, a doctor of philosophy from Columbia University, and graduated Advanced Management Program from Harvard Business School, U.S.A. He has over 26 years of experience in semiconductor research and product development in IBM, AT&T Bell Laboratories and Anam Semiconductor, Inc. He is now executive vice president and chief technology officer of STATS ChipPAC, Ltd. which is a leading service provider of semiconductor design, assembly, test and distribution solutions and traded in Singapore Stock Exchange. He also holds other directorships in iNEMI (International Electronics Manufacturing Initiative) incorporated in Delaware for advancing manufacturing technology, IPOS (Intellectual Properties Office of Singapore) for fostering the creation, protection and exploitation of intellectual properties, Simm Tech Co. Ltd. incorporated in Korea and listed in KOSDAQ, and STATS ChipPAC Taiwan Semiconductor Corp incorporated in Taiwan and listed in Taiwan Stock Exchange.

韓丙濬博士，51歲，自二零零二年十月起獲委任為本公司獨立非執行董事。彼持有韓國漢陽大學工程學學士學位、Tennessee Technological University理學碩士學位、哥倫比亞大學哲學碩士學位，以及美國哥倫比亞大學哲學博士學位，並於哈佛大學高階管理課程畢業。彼在半導體研究及產品開發方面積逾二十六年經驗，曾任職於IBM、AT&T Bell Laboratories及Anam Semiconductor, Inc.。彼目前為STATS ChipPAC, Ltd.之副行政總裁及技術總監，此公司乃是一間著名半導體設計、裝配、測試及發行方案之供應商，並於新加坡證券交易所上市。彼亦擔任其他董事職務，包括於特拉華州註冊成立之國際電子生產商聯盟（「iNEMI」）負責先進生產科技範疇、於新加坡知識產權管理局（「IPOS」）負責促進知識產權之增設、保障及運用、於韓國註冊成立並於韓國高斯達克（KOSDAQ）上市之Simm Tech Co. Ltd.及於台灣註冊成立並於台灣證券交易所上市之台灣星科金朋半導體股份有限公司。

Directors and Senior Management 董事及高層管理人員



KIM Chung Kweon 金正權

Dr. KIM Chung Kweon, aged 55, has been appointed as independent non-executive director of the Company since October 2002. He holds a bachelor's degree in geology from Seoul National University, Korea, a master's degree in business administration and a master's degree in accounting from University of Washington, U.S.A. He also completed his doctorate degree in accounting at University of Pittsburgh, U.S.A. Dr. Kim is a member of the Audit Committee of the Company which monitors the financial reporting function of the Group. He has lectured at University of Pittsburgh, U.S.A. and at The Hong Kong University of Science and Technology. He is now a professor at College of Business Administration in Ewha Womans University, Korea. He also serves as a member of the IFRS International Advisory Committee at the Financial Supervisory Service in Korea.

金正權博士，55歲，自二零零二年十月起獲委任為本公司獨立非執行董事。彼持有韓國首爾國家大學地質學學士學位，以及美國華盛頓州立大學工商管理學碩士學位及會計學碩士學位。彼亦於美國匹茲堡大學完成會計博士學位。金博士是本公司審核委員會成員。該委員會負責監察本集團之財務申報事宜。彼曾於美國匹茲堡大學以及香港科技大學任教。金博士現為韓國梨花女子大學經營大學教授。彼亦為韓國金融監管服務局IFRS International Advisory Committee之委員。



KIM Chan Su 金瓚洙

Mr. KIM Chan Su, aged 43, has been appointed as independent non-executive director of the Company since September 2004. He holds a bachelor's degree in economics from Yonsei University in Korea and is a Certified Public Accountant in Korea. He had worked as an auditor in Samil Accounting Corporation, PricewaterhouseCoopers in Korea for over 12 years and currently have been providing tax and accounting advisory services as professional accountant in Hong Kong.

金瓚洙先生，43歲，自二零零四年九月起獲委任為本公司獨立非執行董事。彼持有韓國延世大學經濟學學士學位，並為韓國執業會計師。彼曾於韓國普華永道會計師事務所之 Samil Accounting Corporation 任職核數師逾十二年，現以專業會計師身份在香港提供稅務及會計諮詢服務。

Directors and Senior Management 董事及高層管理人員

Senior management

HO Cheuk Yui

Mr. HO Cheuk Yui, Paul, aged 44, is a general manager and the head of the Global Business Group of the Group. He is responsible for sales and marketing activities in relation to non-Korean based customers of the Group. Mr. Ho holds a bachelor's degree in business administration with honours from The City University of New York in the United States. He has over 18 years of experience in sales and marketing of electronic products. He joined the Group in 1995.

HONG Sang Joon

Mr. HONG Sang Joon, aged 42, is the group financial controller, a general manager, and the head of the Management Planning Group of the Group. He is responsible for financial management and corporate planning of the Group. Mr. Hong holds a bachelor's degree majoring in Chinese language and Chinese literature and minoring in business administration from Yonsei University in Korea and a master's degree in business administration from The University of Hong Kong. He is a CFA Charterholder and Certified FRM having over 16 years of experience in investment, restructuring, strategic planning and finance from Hansol group companies and the Group. He joined the Group in 2002.

JANG Dong Jun

Mr. JANG Dong Jun, aged 54, is the director and the head of the Electric Component Business Group of the Group. He is responsible for overall business operations of the Group's radio frequency ("RF") coils and transformer products of the Group. Mr. Jang graduated from Cheong Il Technical High School in Korea. He has over 35 years of experience in research in electronic industry including 25 years of experience in developing RF coil, transformer and antenna products in Kwang Sung Korea. He joined the Group in 2005.

高層管理人員

何緯銳

何緯銳先生，44歲，本集團其中一位總經理，兼全球業務組主管。彼負責有關本集團韓國以外客戶之銷售及市場推廣活動。彼持有美國紐約城市大學工商管理榮譽學士學位。彼在電子產品之銷售和市場推廣以及管理方面，擁有超過十八年經驗。彼於一九九五年加入本集團。

洪祥準

洪祥準先生，42歲，本集團財務司庫、總經理兼經營企劃組主管。彼負責本集團之財務管理及企業規劃。洪先生持有韓國延世大學學士學位，主修中國語文及中國文學及副修工商管理，彼亦持有香港大學工商管理碩士學位，並為特許財經分析師(CFA)及認可財金風險管理分析師(FRM)。彼於Hansol集團公司及本集團內，擁有超過十六年在投資、重組及策略規劃和財務方面的經驗。彼於二零零二年加入本集團。

張東俊

張東俊先生，54歲，本集團電子零件業務組總監兼主管。彼負責本集團無線射頻電感器及變壓器產品之整體業務營運。張先生於韓國Cheong Il Technical High School畢業，並在電子業擁有超過三十五年研發經驗，其中包括在韓國光星負責開發無線射頻電感器，變壓器及天線等產品達二十五年。彼於二零零五年加入本集團。

Directors and Senior Management 董事及高層管理人員

JO Jung Ho

Mr. JO Jung Ho, aged 46, is a principal engineer and the head of Production and Production Engineering Group of the Group. He is responsible for production and production engineering in Shenzhen Kwang Sung. Mr. Jo graduated from Gumi National Electronics Technical High School in Korea. Prior to joining the Group, he gained over 24 years of experience in electronic industry including 10 years of experience in developing tuners and unit electronic components in Kwang Sung Korea. He joined the Group in 2005.

KIM Choon Gyum

Mr. KIM Choon Gyum, aged 53, is the director and the head of Infomedia Research & Development 2 Group of the Group. He is responsible for overall business operations of the wireless solutions in the Group. Mr. Kim holds a bachelor's degree majoring electronic engineering from Inha University in Korea. Prior to joining the Group, he gained over 22 years of experience in electronics companies including Maxon Electronics and Motorola Korea, specialized in RF products including cordless phones, mobile phones and Bluetooth products. He joined the Group in 2008.

KIM Yeon Jun

Mr. KIM Yeon Jun, aged 46, is a general manager and the head of Infomedia Solution Sales Group of the Group. He is responsible for new business development including Wiretape™ business of the Group. Mr. Kim holds a bachelor's degree majoring mass communication from Korea University in Korea. Prior to joining the Group, he gained 18 years of experience in IT industry. He joined the Group in 2009.

趙正鎬

趙正鎬先生，46歲，其中一位首席研究員，兼製造技術組主管。彼負責深圳光星之生產及製造技術事宜。趙先生於龜尾國家電子工業學院畢業。加入本集團前，彼在電子業擁有超過二十四年經驗，其中包括在韓國光星負責開發調諧器及單位電子元件達十年。彼於二零零五年加入本集團。

金春謙

金春謙先生，53歲，本集團資訊媒體研發業務二組總監兼主管。彼負責本集團無線解決方案的整體業務營運。金先生持有韓國仁荷大學電子學學士學位。加入本集團前，彼在電子公司擁有超過二十二年經驗，其中包括在Maxon Electronics及韓國摩托羅拉任職，專門負責無線射頻產品，包括無線電話，手提電話及藍牙產品。彼於二零零八年加入本集團。

金淵俊

金淵俊先生，46歲，本集團其中一位總經理，兼資訊媒體方案營業組主管。彼負責本集團新業務發展（包括Wiretape™業務）。金先生持有韓國高麗大學學士學位，主修大眾傳媒。加入本集團前，彼在資訊科技行業擁有超過十八年經驗。彼於二零零九年加入本集團。

Directors and Senior Management 董事及高層管理人員

KO Byoung Hwan

Mr. KO Byoung Hwan, aged 44, is a general manager and the head of Sales / Manufacturing Management Group of the Group. He is responsible for procurement, production planning, product shipment as well as inventory management of the Company. Mr. Ko holds a bachelor's degree in economics from Dongguk University in Korea. He has over 16 years' experience in sales and marketing of electronic products and management. He joined the Group in 1994.

LEE Bae Sung

Mr. LEE Bae Sung, aged 48, is a general manager and the head of Quality Assurance Group of the Group. He is responsible for quality assurance of the Group's products. Mr. Lee holds a bachelor's degree in Industrial Engineering from Konkuk University in Korea. Prior in joining the Group, he gained 20 years of experience in quality control and quality assurance in electronic industry. He joined the Group in 2007.

LEE Don Gi

Mr. LEE Don Gi, aged 47, is a general manager and the head of Automotive Electronics Sales Group of the Group. He is responsible for sales and marketing activities of composite components of the Group. Mr. Lee graduated from Korea Port Logistics High School. He has over 23 years of experience in electronics industry including 18 years in Kwang Sung Korea. He joined the Group in 2005.

高秉煥

高秉煥先生，44歲，其中一位總經理，兼營業/生產管理組主管。彼負責本公司之採購、生產計劃、產品運送，以及製成品之存貨管理事宜。高先生持有韓國東國大學經濟學學士學位，並在電子產品銷售推廣及管理方面擁有超過十六年經驗。彼於一九九四年加入本集團。

李倍聖

李倍聖先生，48歲，本集團其中一位總經理，兼品質管理組主管。彼負責本集團產品之品質管理。李先生持有韓國建國大學工業工程學學士學位。加入本集團前，彼於電子業之品質監控及質量保證方面有超過二十年經驗。彼於二零零七年加入本集團。

李敦基

李敦基先生，47歲，本集團其中一位總經理，兼電裝營業組主管。彼負責本集團複合元件之銷售及推廣活動。李先生於韓國港灣物流高等學校畢業。彼於電子業擁有超過二十三年經驗，包括於韓國光星任職十八年。彼於二零零五年加入本集團。

Directors and Senior Management 董事及高層管理人員

LIM Hee Jun

Mr. LIM Hee Jun, aged 38, is a chief engineer and the head of Wireless Component Business Group of the Group. He is responsible for overall business operations of the Group's wireless component products. Mr. Lim was the industrial undergraduate in mechatronics engineering from Korea Polytechnics College in Korea. He has over 16 years of experience in electronics industry including 13 years in Kwang Sung Korea. He joined the Group in 2007.

PARK Jung Soon

Mr. PARK Jung Soon, aged 48, is a general manager and the head of the Purchasing / Material Management Group of the Group. He is responsible to supervise the purchasing, subcontracting and inventory management in Korea. Mr. Park graduated from Suncheon Technical High School in Korea. He has over 23 years of experience in electronics industry including 19 years in Kwang Sung Korea. He joined the Group in 2006.

SEO Pan Dong

Mr. SEO Pan Dong, aged 59, is a fellow researcher and the head of the Infomedia Research & Development 1 Group of the Group. He is responsible for the research and development of the RF modules in Korea R&D Centre. Mr. Seo holds a bachelor's degree majoring in electronic engineering from Pusan National University in Korea. Prior to joining the Group, he gained 26 years of experience in LG Electronics (Information & Communications Business Division), specialized in designing and developing home, car and portable audio tuners. He joined the Group in 2007.

林熙俊

林熙俊先生，38歲，本集團其中一位責任研究員，兼無線組件業務組主管。彼負責本集團無線組件產品之整體業務營運。林先生為韓國韓國技能大學機械電子工程學之工業學士。加入本集團前，彼於電子業擁有超過十六年經驗，包括於韓國光星任職十三年。彼於二零零七年加入本集團。

樸政淳

樸政淳先生，48歲，本集團其中一位總經理，兼購買/資材管理組主管。彼負責監察韓國國內之採購、分包及存貨管理。朴先生於韓國順天工業高等學校畢業。彼於電子業擁有逾二十三年經驗，包括於光星韓國之十九年經驗。彼於二零零六年加入本集團。

徐判同

徐判同先生，59歲，本集團其中一位委員研究員，兼資訊媒體研發業務一組主管。彼負責無線射頻模組在韓國研發中心之研發。徐先生持有韓國釜山國立大學學士學位，主修電子工程。加入本集團前，彼在LG Electronics（資訊及通訊業務部）累積超過二十六年經驗，專門設計及開發家用、車用及可攜式音響調諧器。彼於二零零七年加入本集團。

Directors and Senior Management 董事及高層管理人員

SUH Jin Won

Mr. SUH Jin Won, aged 43, is a general manager and the head of Operation Management Group of the Group. He is responsible for administration and financial management in Shenzhen Kwang Sung. Mr. Suh holds a bachelor's degree in law from Dongguk University in Korea. He has over 14 years of experience in electronic industry. He joined the Group in 1996.

SUNG Soo Earn

Mr. SUNG Soo Earn, aged 53, is a general manager and the head of Resource Management Group of the Group. He is responsible for overall R&D planning and control of the Group. Mr. Sung holds a bachelor's degree in electronics and communications engineering from Kwangwoon University in Korea. Prior to joining the Group, he gained over 23 years of experience in developing electronic devices such as PA modules and PA MMIC, and RF modules mainly from LG Electronics (Information & Communications Business Division). He joined the Group in 2007.

YANG Jae Eun

Mr. YANG Jae Eun, aged 47, is a principal engineer and the head of Infomedia Research & Development 4 Group of the Group. He is responsible for the research and development of the Group's RF modules products in China R&D Centre. Mr. Yang holds a bachelor's degree in Electronic Engineering from Kumoh National Institute of Technology in Korea. He has over 16 years in electronic industry. He joined the Group in 2007.

徐陳愿

徐陳愿先生，43歲，其中一位總經理，兼深圳光星經營管理組主管。彼負責深圳光星之行政及財務管理。徐先生持有韓國東國大學法律學士學位，於電子業擁有逾十四年經驗。彼於一九九六年加入本集團。

成秀彥

成秀彥先生，53歲，本集團其中一位總經理，兼資源管理組主管。彼負責本集團整體研發規劃及監控。成先生持有韓國光雲大學電子及通訊工程學士學位。於加入本集團前，彼於開發功率放大器模組、功率放大器積體電路及射頻模組方面擁有超過二十三年經驗，期間主要任職於LG Electronics（資訊及通訊業務部）。彼於二零零七年加入本集團。

梁在殷

梁在殷先生，47歲，本集團其中一位首席研究員，兼資訊媒體研發業務四組主管。彼負責本集團無線射頻模組產品於中國研發中心之研發工作。梁先生持有韓國金鳥工科大学電子工程學士學位，在電子業擁有超過十六年經驗。彼於二零零七年加入本集團。

Directors and Senior Management 董事及高層管理人員

YOON Yong Seob

Mr. YOON Yong Seob, aged 47, is a principal engineer and the head of Infomedia Research & Development 3 Group of the Group. He is responsible for the software solutions of the products in the Group. Mr. Yoon holds a master's degree in Electronic Engineering from Kwangwoon University in Korea. He has over 21 years of software design experience in wireless communication and mobile phones industry. He joined the Group in 2009.

尹堉燮

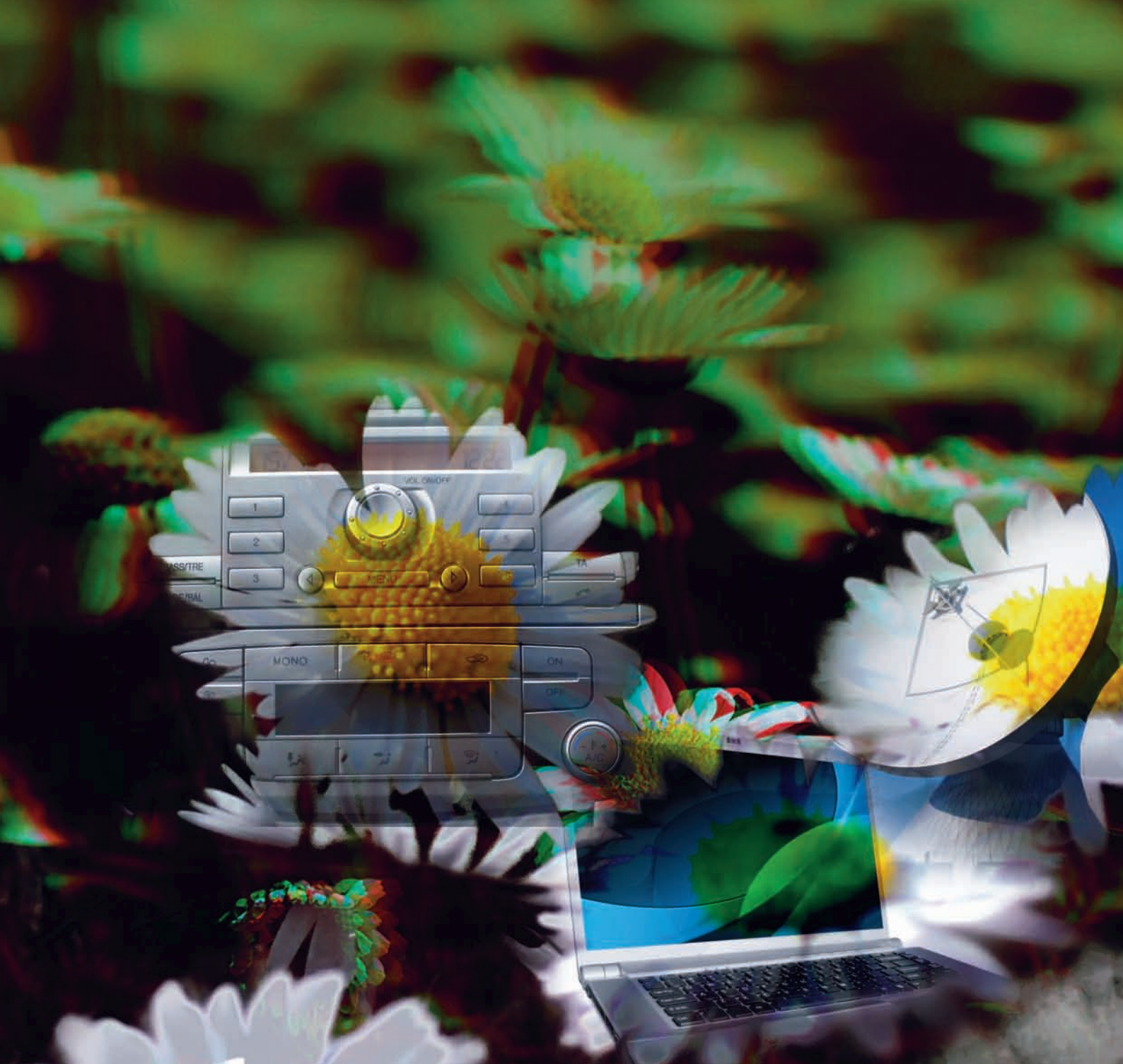
尹堉燮先生，47歲，本集團其中一位首席研究員，兼資訊媒體研發業務三組主管。彼負責本集團產品之軟件解決方案。尹先生持有韓國光雲大學電子工程學碩士學位。彼於無線通訊及流動電話行業擁有超過二十一年軟件設計經驗。彼於二零零九年加入本集團。



Report of the Directors 董事會報告書



The Group will **march forward**
by delivering innovative
products for emerging high-
growth applications



本集團將**向前邁進**，
為新興的
高增長應用領域
提供創新產品

Report of the Directors 董事會報告書

The directors submit herewith their report together with the audited financial statements for the year ended 31 December 2010.

Principal activities

The principal activities of the Company are the manufacture and sale of electronic components. The principal activities and other particulars of the subsidiaries are set out in note 19 to the financial statements. An analysis of the Group's performance for the year by business and geographical segments is set out in note 7 to the financial statements.

Major customers and suppliers

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the financial year is as follows:

The largest customer	最大客戶
Five largest customers in aggregate	五大客戶總和
The largest supplier	最大供應商
Five largest suppliers in aggregate	五大供應商總和

Kwang Sung Korea, a substantial shareholder of the Company and beneficially owned by certain directors and their associates, is one of the customers and subcontractors of the Group. Further details are set out in the sections "Directors' Interests in Contracts" and "Connected Transactions" in the Report of the Directors.

Save as disclosed above, at no time during the year have the directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

董事會全人謹將報告連同截至二零一零年十二月三十一日止年度之經審核財務報表呈覽。

主要業務

本公司之主要業務為製造及銷售電子元件。附屬公司之主要業務及其他詳情載於財務報表附註19。本集團本年度業務及地區分部表現之分析載列於財務報表附註7。

主要客戶及供應商

於本財政年度內，有關各主要客戶及供應商分別應佔本集團銷售額及購貨額之資料如下：

**Percentage of
the Group's total
佔本集團總額百分比**

Sales 銷售	Purchases 購買
-------------	-----------------

21%	8%
60%	27%

韓國光星是本公司的主要股東，由若干董事及彼等之聯繫人士實益擁有，並為本集團客戶及加工商之一。有關詳情載於董事會報告書內「董事之合約利益」及「關連交易」各節。

除上文披露者外，於年內任何時間，各董事、彼等之聯繫人士或本公司之任何股東（據董事所知，擁有本公司已發行股本5%以上者），並無擁有該等主要客戶及供應商之權益。

Report of the Directors 董事會報告書

Results and appropriations

The profit of the Group for the year ended 31 December 2010 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 65 to 172 of this annual report.

No interim dividend was declared for the six months ended 30 June 2010 (2009: Nil). The Board does not recommend the payment of a final dividend for the year ended 31 December 2010 (2009: Nil).

Reserves

Details of movements in reserves during the year are set out in the consolidated statement of changes in equity on pages 71 to 72 of this annual report.

Donations

Charitable and other donations made by the Group during the year amounted to HK\$2,510,000 (2009: HK\$1,920,000).

Property, plant and equipment

Details of movements in property, plant and equipment during the year are set out in note 17 to the financial statements.

Share capital and securities in issue

During the year, no new ordinary share(s) has been issued by the Company. As at the date of 31 December 2010, the Company maintained 323,896,933 issued ordinary shares.

Purchase, sale or redemption of the company's listed securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2010.

業績及分派

本集團於截至二零一零年十二月三十一日止年度之溢利及本公司及本集團於該日事務之狀況載於本年報第65至172頁之財務報表。

截至二零一零年六月三十日止六個月本公司並無宣派任何中期股息(二零零九年:無)。董事會不建議就截至二零一零年十二月三十一日止年度派發末期股息(二零零九年:無)。

儲備

年內,儲備之變動詳情載於本年報第71至72頁的綜合權益變動表。

捐款

本集團於年內之慈善及其他捐款為2,510,000港元(二零零九年:1,920,000港元)。

物業、機器及設備

物業、機器及設備之變動詳情載於財務報表附註17。

股本及已發行證券

年內,本公司並無發行任何新普通股。於二零一零年十二月三十一日,本公司維持323,896,933股已發行普通股。

購買、出售或贖回本公司上市證券

本公司或任何其附屬公司於截至二零一零年十二月三十一日止年度概無購買、出售或贖回本公司任何上市證券。

Report of the Directors 董事會報告書

Directors

The directors during the financial year and up to the date of this report were:

Non-executive director:

Mr. Yang Ho Sung (*Chairman*)

Executive directors:

Mr. Yang Jai Sung

Mr. Lee Kyu Young

Mr. Woo Nam Jin (resigned on 29 January 2010)

Independent non-executive directors:

Dr. Han Byung Joon

Dr. Kim Chung Kweon

Mr. Kim Chan Su

The biographical details of the directors and senior management are set out under the section “Directors and Senior Management” of the Annual Report.

In accordance with Article 101 of the Company’s Articles of Association, Dr. Kim Chung Kweon and Dr. Han Byung Joon shall retire from the Board by rotation and, being eligible, offer themselves for re-election at the forthcoming AGM.

Directors’ service contracts

The duration of all service contracts signed by the directors of the Company is two years, subject to retirement by rotation and re-election of their directorship in the Company as set in the Company’s Articles of Association.

No director of the Company, who proposed for re-election at the forthcoming AGM, has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

董事

本財政年度內及至本報告日期當日之董事如下：

非執行董事：

梁皓星先生（主席）

執行董事：

梁在星先生

李圭英先生

禹南珍先生（於二零一零年一月二十九日辭任）

獨立非執行董事：

韓丙濬博士

金正權博士

金瓚洙先生

董事及高層管理人員的履歷資料載於本年報之「董事及高層管理人員」一節。

根據本公司之組織章程細則第101條，金正權博士及韓丙濬博士將於應屆之股東週年大會輪值告退，惟合乎資格並願意膺選連任。

董事服務合約

本公司董事簽訂之所有董事服務合約之期限均為兩年，惟彼等均須根據本公司之組織章程細則輪值告退本公司董事職務及膺選連任。

擬於即將召開之股東週年大會中連任之董事概無訂立本公司或任何其附屬公司於一年內不可在無需賠償（一般法定賠償除外）之情況下終止之尚未滿期之服務合約。

Report of the Directors 董事會報告書

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures

As at 31 December 2010, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code (collectively "discloseable interests") were as follows:

(1) Interests in issued shares of the company

Name of director	董事姓名	Beneficial owner 實益擁有人	Ordinary shares of HK\$0.1 each 每股面值0.1港元之普通股		
			Interest of controlled corporation 受控制法團之權益	Total number of shares held 持有之股份總數	% of total issued shares 佔已發行股份總百分比
Mr. Yang Jai Sung	梁在星先生	114,582,000	59,500,000 (note) (附註)	174,082,000	53.75%

Note: Mr. Yang Jai Sung and his relatives are approximately interested in 79.5% of the issued share capital of Kwang Sung Korea and therefore Mr. Yang Jai Sung is deemed or taken to be interested in these ordinary shares which are beneficially owned by Kwang Sung Korea under the definition of SFO.

附註：由於梁在星先生及其親屬擁有韓國光星已發行股本之約79.5%權益，故此就證券及期貨條例而言，梁在星先生被視為或被認為擁有韓國光星實益擁有之該等股份之權益。

(2) Interests in underlying shares of the company

The director and/or the chief executive of the Company had been granted options under the Company's share option scheme, details of which are set out in the section "Share Option Scheme" below.

Save as disclosed above, as at 31 December 2010, none of the directors and/or the chief executive of the Company, or their respective associates had any other discloseable interests as required.

董事及最高行政人員於股份、相關股份及債券之權益及淡倉

於二零一零年十二月三十一日，根據證券及期貨條例第352條須予備存的登記冊所載，或根據標準守則向本公司及香港聯合交易所有限公司（「聯交所」）作出之申報，本公司在職董事及最高行政人員於本公司或任何其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有之權益或淡倉（統稱「須予披露權益」）如下：

(1) 本公司已發行股份權益

Name of director	董事姓名	Beneficial owner 實益擁有人	Ordinary shares of HK\$0.1 each 每股面值0.1港元之普通股		
			Interest of controlled corporation 受控制法團之權益	Total number of shares held 持有之股份總數	% of total issued shares 佔已發行股份總百分比
Mr. Yang Jai Sung	梁在星先生	114,582,000	59,500,000 (note) (附註)	174,082,000	53.75%

附註：由於梁在星先生及其親屬擁有韓國光星已發行股本之約79.5%權益，故此就證券及期貨條例而言，梁在星先生被視為或被認為擁有韓國光星實益擁有之該等股份之權益。

(2) 本公司相關股份權益

根據本公司之購股權計劃，本公司之董事及／或最高行政人員已獲授予購股權，有關詳情載於下文「購股權計劃」一節。

除上文披露者外，於二零一零年十二月三十一日，概無本公司之董事及／或最高行政人員或彼等之各自關連人士擁有任何其他須予披露之權益。

Report of the Directors 董事會報告書

Share option scheme

The Company adopted a share option scheme on 16 June 2003 whereby the directors of the Company are authorised, from time to time during the scheme period at their discretion, to invite employees, directors, consultants or advisors of the Group, to take up options to subscribe for shares of the Company. The purpose of this scheme is to provide incentives and rewards to employees and eligible persons for their contributions to the Group. The share option scheme shall be valid and effective for a period of ten years ending on 15 June 2013, after which no further options can be granted. The exercise price of each share option is the highest of (1) the nominal value of the shares; (2) the closing price of the shares on the Stock Exchange on the date of grant; and (3) the average closing price of the shares on the Stock Exchange for the five business days immediately preceding the date of grant. The options are exercisable progressively between one to three years from the date of grant and will expire at the end of a period to be notified by the Board to each option holder upon the grant of option, and in any event, such period shall not exceed ten years from the date of grant.

The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the share option scheme shall not exceed 30% of the issued share capital of the Company from time to time. Subject always to the above overall limit, the directors may grant options under the share option scheme, generally and without further authority, in respect of such number of shares which may be issued upon exercise of all options to be granted under the share option scheme not exceeding 10% of the issued share capital of the Company as at 18 May 2005, being the date passing the resolution regarding the refreshment of general limit of options. For the purpose of calculating the above, options lapsed in accordance with the share option scheme shall not be counted.

The total number of ordinary shares available for issue under the share option scheme as at 31 December 2010 was 31,330,000 shares which represented 9.67% of the issued share capital of the Company at 31 December 2010. In respect of the maximum entitlement of each participant under the scheme, the total number of ordinary shares issued and to be issued upon exercise of the options granted to each participant (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the Company's ordinary shares in issue, unless approved by the shareholders in general meeting.

購股權計劃

本公司於二零零三年六月十六日採納一項購股權計劃。據此，本公司之董事獲授權酌情向本集團之僱員、董事、顧問或諮詢人提出接納可認購本公司股份之購股權之要約。計劃旨在向為本集團作出貢獻之僱員及合資格人士提供獎勵及報酬。購股權計劃將於截至二零一三年六月十五日止十年內一直有效及生效，其後不得再授出任何購股權。每份購股權之行使價為下列三項之較高者：(1) 股份之面值；(2) 於授出日期股份於聯交所之收市價；及(3) 於緊接授出日期前五個營業日股份於聯交所之平均收市價。購股權可由授出日期起計一年至三年內逐步行使，並將於董事在授出購股權時通知各購股權持有人其購股權屆滿之日期，惟於任何情況下不得超過自購股權授出日期起計十年。

按購股權計劃已授出惟尚待行使之所有未行使購股權獲行使後可發行之股份上限，不得超過本公司不時已發行股本之30%。在一直遵守以上總限額之情況下，董事在一般性及不再有進一步授權情況下，按購股權計劃授出之所有購股權獲行使後可發行之股份數目，不得超過本公司於二零零五年五月十八日（即更新購股權一般限額之決議案通過之日期）已發行股本之10%。就計算上述股份數目而言，根據購股權計劃而失效之購股權將不在計算之列。

於二零一零年十二月三十一日，購股權計劃下可供發行之普通股總數為31,330,000股股份相當於二零一零年十二月三十一日本公司已發行股本之9.67%。就每名參與者於計劃下之配額上限而言，其於任何十二個月期間因行使授予彼等之購股權（包括已行使、註銷及尚未行使之購股權）獲行使而發行及將發行之普通股總數，不得超過本公司已發行普通股之1%，惟獲股東於股東大會上批准者則作別論。

Report of the Directors 董事會報告書

During the year 2010, no further new option has been granted under the share option scheme by the directors of the Company and therefore no share option of the Company being outstanding.

Information on the accounting policy for share options granted and the weighted average value per option is provided in notes 3(l)(ii) and 35 to the financial statements respectively.

Apart from the foregoing, at no time during the year was the Company or its subsidiaries a party to any arrangement to enable the directors of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Substantial shareholders' and other persons' interests and short positions in shares and underlying shares

As at 31 December 2010, the following persons (other than the directors or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO or as otherwise notified to the Company were as follows:

於二零一零年期間，本公司董事概無根據購股權計劃授出任何新購股權，因此本公司並無仍未行使之購股權。

有關已授出購股權及每份購股權之加權平均價值之會計政策資料分別載於該等財務報表附註3(l)(ii)及35。

除上述者外，本公司或其附屬公司概無於本年度內任何時間訂立任何安排，致使本公司董事或彼等之配偶或未滿十八歲之子女可藉購入本公司或任何其他法人團體之股份或債券而取得利益。

主要股東及其他人士於股份、相關股份之權益及淡倉

於二零一零年十二月三十一日，除本公司之董事或最高行政人員外，下列人士於本公司之股份及相關股份中，擁有本公司根據證券及期貨條例第336條須予備存之登記冊所記錄或已知會本公司之權益或淡倉如下：

		Ordinary shares of HK\$0.1 each 每股面值0.1港元之普通股		
Substantial shareholders	主要股東	No. of ordinary shares held 持有之普通股數目	Nature of interest/Capacity 權益性質／身份	% of the issued share capital 佔已發行股份總百分比
Madam Yang Kang Mi Young (note 1)	梁姜美英女士(附註1)	174,082,000	Interest of spouse 配偶之權益	53.75%
Kwang Sung Electronics Co., Ltd.	株式會社光星電子	59,500,000	Beneficial owner 實益擁有人	18.37%
Mr. Kent C. McCarthy ("Mr. McCarthy") (note 2)	Kent C. McCarthy先生 (「McCarthy先生」) (附註2)	32,904,000	Interest of controlled corporations 受控制法團之權益	10.16%
Jayhawk Private Equity Fund II, LP ("Jayhawk PEF")	Jayhawk Private Equity Fund II, LP (「Jayhawk PEF」)	32,904,000	Investment manager 投資經理	10.16%

Report of the Directors 董事會報告書

Notes:

- (1) Madam Yang Kang Mi Young, the wife of Mr. Yang Jai Sung, was deemed to be interested in these ordinary shares in which Mr. Yang Jai Sung was deemed or taken to be interested under the definition of SFO.
- (2) Mr. McCarthy was deemed or taken to be interested in these ordinary shares through his indirect 100% control in Jayhawk PEF. These interests were fully duplicated by those beneficially owned by Jayhawk PEF.

Save as disclosed above, no other interests required to be recorded in the register kept under Section 336 of the SFO have been notified to the Company.

Public float

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, the Company has maintained the prescribed public float under the Listing Rules up to the date of this annual report.

Directors' interests in contracts

Kwang Sung Korea is a substantial shareholder and being one of the customers and the subcontractors of the Company. Mr. Yang Jai Sung and his relatives were interested in these arrangements as a shareholder holding approximately 79.5% interest in the share capital of Kwang Sung Korea.

Save as disclosed in note 39 to the financial statements under the heading "Material Related Party Transactions", there were no other contracts of significance to which the Company or its subsidiaries was a party, and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

附註：

- (1) 梁姜美英女士為梁在星先生之妻子，就證券及期貨條例而言，彼被視為擁有梁在星先生被視為或被認為擁有權益之該等普通股之權益。
- (2) McCarthy先生透過間接控制Jayhawk PEF 100%股權，而被視為或被認為擁有該等普通股之權益。該等權益與Jayhawk PEF實益擁有的屬同一批。

除上文所披露者外，本公司並無得悉其他需要記錄於依據證券及期貨條例第336條須予備存之登記冊內之權益。

公眾持股量

依據本公司可公開查閱之資料及就本公司董事所知，截至本年報日期為止，本公司一直維持上市規則所要求的公眾持股量水平。

董事之合約利益

韓國光星是本公司之主要股東，並為本公司客戶及加工商之一。梁在星先生及其親屬因作為持有韓國光星股本約79.5%權益之韓國光星股東，而於該等安排中佔有權益。

除財務報表附註39「重大關連人士交易」一節所披露者外，於本年度結束時或於本年度內任何時間，本公司或其附屬公司並無訂立任何重大且本公司董事曾經直接或間接擁有重大權益之合約。

Report of the Directors 董事會報告書

Directors' interests in competing business

During the year ended 31 December 2010, Mr. Yang Jai Sung, the director of the Company, is both the shareholder and director of Kwang Sung Korea, whose businesses compete or are likely to compete, directly or indirectly, with the Group's businesses. The principal businesses of Kwang Sung Korea are as follows:

- (1) Research, design and product development of electronic components and related products and manufacturing of electronic components for electronic appliances and communication equipment through the factory operated by Kwang Sung Korea (the "KSK Factory") exclusively for orders placed directly with Kwang Sung Korea and to be sold in the Korean market but subject to the terms and limited to the scope as set out in the Deed of Undertaking and the Research and Development Service Agreement.
- (2) Sales, marketing, purchasing and distribution of electronic components for electronic appliances and communication equipment, but subject to the terms and limited to the scope as set out in the Deed of Undertaking and the Commission Agreement.

In relation to the listing of the Company's shares on the Main Board of the Stock Exchange, each of Kwang Sung Korea, KS-Tech Group Corporation, and Mr. Yang Jai Sung has entered into the Deed of Undertaking in favour of the Group to the effect that for so long as Kwang Sung Korea and/or any of its subsidiaries, Mr. Yang Jai Sung and/or the companies controlled by Mr. Yang Jai Sung are beneficially interested, directly and indirectly, whether individually or taken together, in 20% or more of the issued share capital of the Company, Kwang Sung Korea and Mr. Yang Jai Sung will not, and Kwang Sung Korea and Mr. Yang Jai Sung will procure that none of its subsidiaries (other than the Group) and the companies controlled by him (other than the Group), respectively, will engage or otherwise be involved in any business which competes or is likely to compete, either directly or indirectly, with any of the businesses carried out by any member of the Group from time to time (the "Restricted Business") in any of the regions in which the Group is engaged in and undertakes the Restricted Business (such regions include Korea and the PRC (including Hong Kong)).

董事於競爭性業務之權益

於截至二零一零年十二月三十一日止年度，本公司董事梁在星先生為韓國光星之股東兼董事，而韓國光星之業務會或可能會對本集團業務構成直接或間接競爭。韓國光星之主要業務如下：

- (1) 電子元件及相關產品之研究、設計及產品開發，並透過韓國光星經營之研究、設計及產品開發工廠（「韓國光星工廠」），替直接向韓國光星落單之獨家訂單，製造電器及通訊設備之電子元件，及於韓國市場出售，惟須遵守承諾契據及研發服務協議之條款及其所載之範疇所限制。
- (2) 銷售、市場推廣、購買及分銷電器及通訊設備之電子元件，惟須遵守承諾契據及佣金協議之條款及其所載之範疇所規限。

就本公司股份於聯交所主板上市，韓國光星、KS-Tech Group Corporation及梁在星先生已各自為本集團之利益，而訂立承諾契據，只要韓國光星及／或其任何附屬公司、梁在星先生及／或由梁在星先生控制之公司直接或間接（不論個人或共同）實益擁有本公司已發行股本之20%或以上，則韓國光星及梁在星先生將不會（並將分別促使其附屬公司（本集團除外）及由其控制之公司（本集團除外））從事或以其他方式參與任何業務，而該等業務與本集團經營及從事受限制業務之任何地區（包括韓國及中國（包括香港））內之任何本集團成員公司可能從事之任何業務（「受限制業務」）直接或間接構成或很可能構成競爭。

Report of the Directors 董事會報告書

Kwang Sung Korea has agreed to first refer all customers' orders of electronic components production received by Kwang Sung Korea from its customers (subject to certain conditions) and the results and/or products developed by the product design and research and development centre of Kwang Sung Korea and the KSK Factory and/or any intellectual property right in or arising from such results and/or products to the Group on terms in accordance with the Deed of Undertaking, the Commission Agreement and the Research and Development Service Agreement, respectively.

According to the supplementary Deed of Undertaking effective 20 September 2005, KS-Tech Group Corporation is no longer a party to the Deed of Undertaking as it is no longer beneficially owned by Kwang Sung Korea.

Pursuant to the supplementary deed inter alia, for so long as Kwang Sung Korea and/or any of its subsidiaries and Mr. Yang Jai Sung and/or any of the companies controlled by him are beneficially interested, directly or indirectly, whether individually or taken together, in 10% or more of the issued share capital of the Company, Kwang Sung Korea and Mr. Yang Jai Sung will not, and Kwang Sung Korea and Mr. Yang Jai Sung will procure that none of its subsidiaries (other than the Group) and the companies controlled by him (other than the Group), respectively, will engage or otherwise be involved in any business which competes or is likely to compete, either directly or indirectly, with any of the Restricted Business in any of the regions in which the Group engages in and undertakes the Restricted Business (such regions include Korea and the PRC (including Hong Kong)).

The transactions with Kwang Sung Korea are set out in the paragraph headed "Connected Transactions". There has been no material change in directors' interests in any competing business subsequent to 31 December 2010.

韓國光星已同意，分別根據承諾契據、佣金協議及研發服務協議之條款，首先向本集團轉介韓國光星從其客戶接獲生產電子元件之所有客戶訂單（受若干條件所規限），及由韓國光星之產品設計及研發中心及韓國光星工廠開發之成果及／或產品及／或於或由該等成果及／或產品而產生之任何知識產權。

根據於二零零五年九月二十日生效之補充承諾契據，由於KS-Tech Group Corporation不再為韓國光星實益擁有，故其不再成為承諾契據的一方。

根據補充契據（其中包括），只要韓國光星及／或其任何附屬公司、梁在星先生及／或由梁在星先生控制之公司直接或間接（不論個人或共同）實益擁有本公司已發行股本之10%或以上，則韓國光星及梁在星先生將不會（並將分別促使其附屬公司（本集團除外）及由其控制之公司（本集團除外））從事或以其他方式參與任何業務，而該等業務與本集團經營及從事受限制業務之任何地區（包括韓國及中國（包括香港））內之任何受限制業務直接或間接構成或很可能構成競爭。

與韓國光星之交易詳情載於「關連交易」一段。於二零一零年十二月三十一日後，董事於競爭業務之權益並無任何重大轉變。

Report of the Directors 董事會報告書

Connected transactions

During the year, the Group entered into the following transactions with Kwang Sung Korea, which constituted continuing connected transactions (the “connected transactions”) as defined in the Listing Rules.

- (1) In the ordinary course of business, the Group sold electronic components to Kwang Sung Korea for resale to ultimate customers. These transactions were entered into on normal commercial terms and on prices and terms comparable to the prevailing market rate or practice.

During the year ended 31 December 2010, sales of electronic components to Kwang Sung Korea amounted to HK\$1,109,000 (2009: HK\$2,246,000).

- (2) Pursuant to a Commission Agreement dated 4 Nov 2008, Kwang Sung Korea referred a number of customers to the Group. These customers place orders directly with the Group and upon completion of the production, the Group sold the electronic components to the customers directly. The Group paid Kwang Sung Korea a referral commission which represents not more than 2% of the total sales to these customers. The referral commission rate was comparable to the referral commission rates payable by the Group to independent third parties and was on terms comparable to the prevailing market rate or practice.

During the year ended 31 December 2010, referral commission paid/payable by the Group to Kwang Sung Korea amounted to HK\$626,000 (2009: HK\$1,371,000).

- (3) Pursuant to a Production Outsourcing Agreement dated 4 November 2008, Kwang Sung Korea has agreed to produce the Products for the Company in ordinary and usual course of business, on normal commercial terms comparable to the prevailing market rate and practice after arms length negotiations. Payment of the production outsourcing fees will be made in a manner agreed by the Group and Kwang Sung Korea.

During the year ended 31 December 2010, production outsourcing fees paid/payable by the Group to Kwang Sung Korea amounted to HK\$2,300,000 (2009: HK\$1,659,000).

關連交易

年內，本集團與韓國光星進行下列交易，該等交易構成上市規則所界定之持續關連交易（「關連交易」）。

- (1) 本集團於日常業務過程中向韓國光星出售電子元件，以供轉售予最終客戶。該等交易乃按正常商業條款及根據可與現行市場價格或慣例比較之價格及條款進行。

於截至二零一零年十二月三十一日止年度，向韓國光星銷售電子元件之銷售額為1,109,000港元（二零零九年：2,246,000港元）。

- (2) 根據二零零八年十一月四日簽訂之佣金協議，韓國光星已轉介若干客戶至本集團，此等客戶直接向本集團落單，待生產完成後，本集團直接向該等客戶銷售電子元件。本集團已支付轉介佣金予韓國光星，金額不多於銷售予該等客戶之總銷售額之2%。轉介佣金與本集團向獨立第三者支付之轉介佣金相若，並根據與現時市場價格或慣例相若之條款釐定。

於截至二零一零年十二月三十一日止年度，本集團已付／應付予韓國光星之轉介佣金為626,000港元（二零零九年：1,371,000港元）。

- (3) 根據二零零八年十一月四日簽訂之生產外包協議，韓國光星已於公平磋商後同意於日常業務中，替本公司生產該等產品，其一般商業條款與現行市場價格和慣例相若。本集團及韓國光星將以協定之方式，就生產外包費用付款。

於截至二零一零年十二月三十一日止年度，本集團已付／應付予韓國光星之生產外包費用為2,300,000港元（二零零九年：1,659,000港元）。

Report of the Directors 董事會報告書

At the extraordinary general meeting of 5 December 2008, the Company has sought approval from the independent shareholders of the non-exempt continuing connected transactions up to the limits specified in the new caps for each of the three financial years ending 31 December 2011 mentioned below:

於二零零八年十二月五日舉行之股東特別大會，本公司尋求獨立股東批准不獲豁免持續關連交易，金額最高為下文所述截至二零一一年十二月三十一日止三個財政年度之新上限：

**Annual cap on the aggregate value
of the transactions for
financial years ended/ending 31 December**
截至 / 將截至十二月三十一日止
財政年度交易總值之全年上限

Transactions	交易	2009	2010	2011
		二零零九年 HK\$'000 千港元	二零一零年 HK\$'000 千港元	二零一一年 HK\$'000 千港元
Sales of Products by the Group to Kwang Sung Korea	本集團銷售該等產品予韓國光星	10,200	11,200	12,300
Commission payable by the Group to Kwang Sung Korea for sales orders placed by the customers referred by Kwang Sung Korea	本集團就韓國光星所轉介客戶發出之銷售訂單應付韓國光星之佣金	5,200	5,200	5,200
Production outsourcing fees payable by the Group to Kwang Sung Korea	本集團應付韓國光星之外包生產費用	5,800	7,100	8,700

The directors, including the independent non-executive directors, of the Company have reviewed the connected transactions and confirmed that:

本公司董事（包括獨立非執行董事）已審閱關連交易，並確認：

- (1) the connected transactions have been entered into:
 - (i) in the ordinary and usual course of business of the Group;
 - (ii) either on normal commercial terms (to the extent that there are comparable transactions), or, where there are no sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than those available to or from (as appropriate) independent third parties; and
 - (iii) on the relevant agreement terms that are fair and reasonable and in the interests of independent shareholders of the Company as a whole.

- (1) 該等關連交易：
 - (i) 屬本集團的日常業務；
 - (ii) 是按照一般商業條款進行的（只限有可供比較之交易而言），或如可供比較的交易不足以判斷該等交易的條款是否一般商業條款，則對於本集團而言，該等交易的條款不遜於獨立第三方可取得或提供（視屬何情況而定）的條款；及
 - (iii) 是按照有關協議之公平合理及符合本公司獨立股東整體利益之條款進行。

Report of the Directors 董事會報告書

(2) the connected transactions entered into during the year ended 31 December 2010 have been conducted such that the aggregate amount for each type of the transactions has not exceeded the respective caps set out above.

The Company's auditors have confirmed in a letter to the board of directors that:

- (i) the connected transactions had received the approval of the Company's board of directors;
- (ii) there was an agreement in place governing each selected transaction; and
- (iii) the connected transactions had not exceeded the respective caps as set out above.

Retirement schemes

Details of the retirement schemes participated by the Group are set out in note 34 to the financial statements.

Five-year financial summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 173 of the annual report.

Confirmation of independence

The Company has received from each of the independent non-executive directors of the Company an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive directors to be independent.

(2) 於截至二零一零年十二月三十一日止年度內訂立之關連交易，其各類交易之總額並無超出上述各類交易之上限。

本公司核數師於一封致董事會之函件中確認：

- (i) 關連交易已獲本公司董事會批准；
- (ii) 每一項交易受各自的一份協議所規範；及
- (iii) 每項關連交易並未超過上述各自之上限。

退休計劃

本集團參與之退休計劃之詳情，載於財務報表附註34。

五年財務概要

本集團過去五個財政年度業績、資產與負債概要載於本年報第173頁。

確認獨立性

本公司已根據上市規則第3.13條，收取各獨立非執行董事之年度獨立性確認函件，並認為所有獨立非執行董事均維持獨立。

Report of the Directors 董事會報告書

Auditors

The consolidated financial statements for the year ended 31 December 2010 have been audited by SHINEWING (HK) CPA Limited.

SHINEWING (HK) CPA Limited retire and, being eligible, offer themselves for reappointment. A resolution for the reappointment of SHINEWING (HK) CPA Limited as auditors of the Company is to be proposed at the forthcoming AGM.

By order of the Board

Yang Ho Sung

Chairman

Hong Kong, 25 March 2011

核數師

截至二零一零年十二月三十一日止年度本公司之綜合財務報表，已經信永中和（香港）會計師事務所有限公司審核。

信永中和（香港）會計師事務所有限公司即將告退，惟符合資格並願膺選連任。重新委聘信永中和（香港）會計師事務所有限公司為本公司核數師的決議，將於應屆股東週年大會上提出。

承董事會命

主席

梁皓星

香港，二零一一年三月二十五日

Independent Auditor's Report 獨立核數師報告



SHINEWING (HK) CPA Limited
43/F., The Lee Gardens
33 Hysan Avenue
Causeway Bay, Hong Kong

TO THE MEMBERS OF KWANG SUNG ELECTRONICS H.K. CO. LIMITED

(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of Kwang Sung Electronics H.K. Co. Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 65 to 172, which comprise the consolidated and the Company's statements of financial position as at 31 December 2010, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

獨立核數師報告

致光星電子香港有限公司股東

(於香港註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第65至第172頁光星電子香港有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的財務報表,此綜合財務報表包括於二零一零年十二月三十一日的綜合和公司財務狀況表與截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表和綜合現金流量表,以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

董事須負責根據香港會計師公會頒布的香港財務報告準則及香港公司條例編製真實而公平地列報的財務報表,及董事釐定為需要的內部監控,以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

我們的責任是根據我們的審核對該等財務報表作出意見,並按照香港公司條例第141條的規定,僅向整體股東報告。除此以外,我們的報告書不可用作其他用途。我們概不就本報告書的內容,對任何其他人士負責或承擔法律責任。我們已根據香港會計師公會頒布的香港審計準則進行審核。這些準則要求我們遵守道德規範,並規劃及執行審核,以合理確定此等財務報表是否不存有任何重大錯誤陳述。

Independent Auditor's Report 獨立核數師報告

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2010 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Chan Wing Kit

Practising Certificate Number: P03224

Hong Kong
25 March 2011

審核涉及執程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製真實而公平地列報的財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等財務報表已根據香港財務報告準則真實而公平地反映貴集團及貴公司於二零一零年十二月三十一日的財務狀況及貴集團截至該日止年度的溢利及現金流量，並已按照香港公司條例妥為編製。

信永中和(香港)會計師事務所有限公司

執業會計師

陳永傑

執業證書編號：P03224

香港
二零一一年三月二十五日

Consolidated Income Statement

綜合損益表

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

		Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Turnover	營業額	8	680,481	592,280
Cost of sales	銷售成本		(587,618)	(517,780)
Gross profit	毛利		92,863	74,500
Other income	其他收入	9	8,712	5,749
Selling and distribution expenses	銷售及分銷開支		(21,308)	(19,148)
Administrative expenses	行政開支		(19,804)	(16,627)
Research and development expenses	研發開支		(35,658)	(31,066)
Other operating expenses	其他經營開支		(10,398)	(10,100)
Finance costs	融資成本	10	(389)	–
Profit before taxation	除稅前溢利		14,018	3,308
Taxation	稅項	11	(6,325)	(39,592)
Profit (loss) for the year	本年度溢利(虧損)	12	7,693	(36,284)
Profit (loss) for the year attributable to:	以下人士應佔 本年度溢利(虧損):			
Owners of the Company	本公司擁有人		8,087	(35,774)
Non-controlling interests	非控股權益		(394)	(510)
			7,693	(36,284)
Earnings (loss) per share	每股盈利(虧損)	16	HK cents 港仙	HK cents 港仙
Basic	基本		2.50	(11.13)
Diluted	攤薄		2.50	(11.13)

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit (loss) for the year	本年度溢利(虧損)	7,693	(36,284)
Other comprehensive income (expense):	其他全面收益(開支):		
Exchange differences arising on translation of foreign operations	因換算境外業務而產生之匯兌差額	7,851	6,907
Surplus on revaluation of land and buildings held for own use	重估持作自用土地及樓宇之盈餘	6,470	9,167
Deferred tax	遞延稅項	(2,609)	(826)
Surplus on revaluation of land and buildings held for own use, net of deferred tax	重估持作自用土地及樓宇之盈餘，已扣除遞延稅項	3,861	8,341
Other comprehensive income for the year, net of tax	本年度其他全面收益，已扣除稅項	11,712	15,248
Total comprehensive income (expense) for the year	本年度全面收益(開支)總額	19,405	(21,036)
Total comprehensive income (expense) for the year attributable to:	以下人士應佔本年度全面收益(開支)總額:		
Owners of the Company	本公司擁有人	19,799	(21,328)
Non-controlling interests	非控股權益	(394)	292
		19,405	(21,036)

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2010
於二零一零年十二月三十一日

		Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	17	134,364	71,301
Investment property	投資物業	18	5,100	4,100
Goodwill	商譽	20	5,857	5,857
Club memberships	會所會籍	21	600	673
Intangible assets	無形資產	22	17,623	18,532
Investments in equity securities	股本證券投資	23	–	–
Deposits for purchase of property, plant and equipment	購買物業、機器及設備 之按金		164	4,245
			163,708	104,708
Current assets	流動資產			
Inventories	存貨	24	82,673	57,100
Trade and other receivables	應收貿易及其他賬款	25	140,070	143,013
Amounts due from shareholders	應收股東款項	33	9,946	10,592
Cash and cash equivalents	現金及現金等價物	26	133,505	179,386
			366,194	390,091
Current liabilities	流動負債			
Trade and other payables	應付貿易及其他賬款	27	84,456	85,537
Tax payables	應付稅項		43,286	42,712
Bank borrowing – due within one year	銀行借貸 – 一年內到期	28	13,844	111
			141,586	128,360
Net current assets	流動資產淨值		224,608	261,731
Total assets less current liabilities	資產總值減流動負債		388,316	366,439

Consolidated Statement of Financial Position
綜合財務狀況表AS at 31 December 2010
於二零一零年十二月三十一日

		Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Capital and reserves	資本及儲備			
Share capital	股本	29	32,390	32,390
Reserves	儲備		338,972	319,173
Equity attributable to owners of the Company	本公司擁有人 應佔權益		371,362	351,563
Non-controlling interests	非控股權益		2,622	3,016
Total equity	總權益		373,984	354,579
Non-current liabilities	非流動負債			
Bank borrowing – due after one year	銀行借貸 – 一年後到期	28	–	83
Derivative financial liabilities	衍生金融負債	31	6,452	7,391
Deferred tax liabilities	遞延稅項負債	32	7,880	4,386
			14,332	11,860
			388,316	366,439

The financial statements on pages 65 to 172 were approved and authorised for issue by the board of directors on 25 March 2011 and are signed on its behalf by:

第65至第172頁之財務報表已於二零一一年三月二十五日獲董事會批准及授權發行，並由下列董事代表簽署：

Yang Jai Sung
Director

梁在星
董事

Lee Kyu Young
Director

李圭英
董事

Statement of Financial Position
財務狀況表As at 31 December 2010
於二零一零年十二月三十一日

		Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	17	33,374	30,631
Investment property	投資物業	18	5,100	4,100
Interests in subsidiaries	於附屬公司之權益	19	94,895	94,521
Club memberships	會所會籍	21	600	673
Intangible assets	無形資產	22	10,200	10,869
Investments in equity securities	股本證券投資	23	–	–
Deposits for purchase of property, plant and equipment	購買物業、機器及設備 之按金		164	4,245
			144,333	145,039
Current assets	流動資產			
Inventories	存貨	24	82,673	57,100
Trade and other receivables	應收貿易及其他賬款	25	139,924	142,804
Amounts due from subsidiaries	應收附屬公司款項	19	10,719	–
Amounts due from shareholders	應收股東款項	33	9,946	10,592
Cash and cash equivalents	現金及現金等價物	26	131,740	178,391
			375,002	388,887
Current liabilities	流動負債			
Trade and other payables	應付貿易及其他賬款	27	83,196	84,851
Amounts due to subsidiaries	應付附屬公司款項	19	–	43,198
Tax payables	應付稅項		43,277	42,689
Bank borrowing – due within one year	銀行借貸 – 一年內到期	28	13,758	–
			140,231	170,738
Net current assets	流動資產淨值		234,771	218,149
Total assets less current liabilities	資產總值減流動負債		379,104	363,188

Statement of Financial Position
財務狀況表As at 31 December 2010
於二零一零年十二月三十一日

		Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Capital and reserves	資本及儲備			
Share capital	股本	29	32,390	32,390
Reserves	儲備	30	335,158	319,885
Total equity	總權益		367,548	352,275
Non-current liabilities	非流動負債			
Derivative financial liabilities	衍生金融負債	31	6,452	7,391
Deferred tax liabilities	遞延稅項負債	32	5,104	3,522
			11,556	10,913
			379,104	363,188

The financial statements on pages 65 to 172 were approved and authorised for issue by the board of directors on 25 March 2011 and are signed on its behalf by:

第65至第172頁之財務報表已於二零一一年三月二十五日獲董事會批准及授權發行，並由下列董事代表簽署：

Yang Jai Sung
Director

梁在星
董事

Lee Kyu Young
Director

李圭英
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

As at 31 December 2010
於二零一零年十二月三十一日

		Attributable to owners of the Company 本公司擁有人應佔											
		Share capital	Share premium	Capital reserve	Other reserve	Contribution reserve	Properties revaluation reserve	Statutory reserve	Exchange reserve	Retained profits	Sub-total	Non-controlling interests	Total
		股本	股份溢價	資本儲備	其他儲備	出資儲備	重估儲備	法定儲備	匯兌儲備	保留溢利	小計	非控股權益	總額
		(note a)	(note a)	(note b)	(note c)	(note d)	(note e)	(note f)	(note g)	(note g)			
		(附註a)	(附註a)	(附註b)	(附註c)	(附註d)	(附註e)	(附註f)	(附註g)	(附註g)			
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2009	於二零零九年一月一日	31,536	55,921	604	-	-	10,045	7,493	(25,193)	278,739	359,145	-	359,145
Total comprehensive income (expense) for the year	本年度全面收益(開支)總額	-	-	-	-	-	8,341	-	6,105	(35,774)	(21,328)	292	(21,036)
Acquisition of a subsidiary	收購一間附屬公司	-	-	-	-	-	-	-	-	-	-	3,025	3,025
Contributions from shareholders (note 11(b))	股東出資(附註 11(b))	-	-	-	-	9,946	-	-	-	-	9,946	-	9,946
Deemed acquisition of additional interest in a subsidiary (note 36(b))	視為收購一間附屬公司之額外權益(附註 36(b))	-	-	-	301	-	-	-	-	-	301	(301)	-
Shares issued according to a patent transfer agreement (note 31)	根據專利權轉讓協議發行股份(附註 31)	854	2,645	-	-	-	-	-	-	-	3,499	-	3,499
Lapse of share options	購股權失效	-	-	(604)	-	-	-	-	-	604	-	-	-
Transfer	轉撥	-	-	-	-	-	-	941	-	(941)	-	-	-
At 31 December 2009	於二零零九年十二月三十一日	32,390	58,566	-	301	9,946	18,386	8,434	(19,088)	242,628	351,563	3,016	354,579
Total comprehensive income (expense) for the year	本年度全面收益(開支)總額	-	-	-	-	-	3,861	-	7,851	8,087	19,799	(394)	19,405
Transfer	轉撥	-	-	-	-	-	-	942	-	(942)	-	-	-
At 31 December 2010	於二零一零年十二月三十一日	32,390	58,566	-	301	9,946	22,247	9,376	(11,237)	249,773	371,362	2,622	373,984

Notes:

(a) Share premium

The application of the share premium is governed by section 48B of the Hong Kong Companies Ordinance.

(b) Capital reserve

The capital reserve comprises the fair value of unexercised share options granted to employees of the Company and other eligible persons that has been recognised in accordance with the accounting policy adopted for share-based payments in note 3(I)(ii).

(c) Other reserve

Other reserve represents the acquisition/disposal of partial equity interests of subsidiaries with minority shareholders without changes in control. Details of the accounting policy are set out in note 3(a).

(d) Contribution reserve

Contribution reserve represents contributions from shareholders for indemnity liabilities payable for periods prior to 30 June 2003. Details are set out in note 39(a)(ii).

附註：

(a) 股份溢價

股份溢價之用途受香港公司條例第48B條規管。

(b) 資本儲備

資本儲備為已根據載於附註3(I)(ii)就以股份為基礎之付款而採納之會計政策所確認已授予本公司僱員及其他合資格人士之尚未行使購股權之公允價值。

(c) 其他儲備

其他儲備指向少數權益股東收購/出售附屬公司之部份股本權益而並無對控制權帶來變動。會計政策詳情載於附註3(a)。

(d) 出資儲備

出資儲備指股東就二零零三年六月三十日前期間之應付彌償負債出資。詳情載於附註39(a)(ii)。

Consolidated Statement of Changes in Equity 綜合權益變動表

As at 31 December 2010
於二零一零年十二月三十一日

(e) Properties revaluation reserve

The properties revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for land and buildings held for own use in note 3(f).

(f) Statutory reserve

In accordance with the People's Republic of China (the "PRC") laws applicable to wholly-foreign owned investment enterprises, subsidiaries of the Company operating in the PRC are required to set up a general reserve fund and appropriate at least 10% of respective company's annual profit after taxation, as determined under the PRC accounting rules and regulations, to the general reserve fund until the balance of the reserve equals to 50% of its registered capital. This fund can be used to make good losses and to convert into paid-up capital.

(g) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of the Company's branch in Korea. At 1 January 2008 onwards, the functional currency of the Korea Branch has been changed from Hong Kong dollars ("HKD") to Korean Won ("KRW") following the Korea Branch has substantially increased its trading activities in the Korean market. Sales and purchases conducted in the Korean market are denominated and settled in KRW. The reserve is dealt with in accordance with the accounting policy set out in note 3(o).

(e) 物業重估儲備

物業重估儲備乃按附註3(f)所載有關持作自用土地及樓宇之會計政策設立及處理。

(f) 法定儲備

根據適用於外商獨資企業之中華人民共和國（「中國」）法律，本公司於中國營運之附屬公司需要設立一般儲備基金，並把各公司最少10%之年度稅後純利（按中國會計規則及條例計算）撥入一般儲備基金，直至儲備結餘達至其註冊資本50%為止。一般儲備基金可用作彌補虧損及轉換為已繳股本。

(g) 匯兌儲備

匯兌儲備包括所有因換算本公司韓國分公司財務報告產生之匯兌差額。自二零零八年一月一日起，由於韓國分公司已大幅增加其於韓國市場所從事之貿易活動，因此本公司已將韓國分公司之功能貨幣由港元（「港元」）更換為韓圓（「韓圓」）。於韓國市場所進行之買賣以韓圓計值及結算。該儲備根據附註3(o)所載會計政策處理。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動		
Profit before taxation	除稅前溢利	14,018	3,308
Adjustments for:	就下列各項作出調整：		
Interest income	利息收入	(718)	(1,888)
Finance costs	融資成本	389	-
Depreciation	折舊	16,791	18,177
Amortisation of patents	專利權攤銷	1,145	855
Written off of club membership	撇銷會籍	73	-
Impairment loss on trade receivables	應收貿易賬款減值虧損	2,772	196
Increase in fair value of derivative financial liabilities	衍生金融負債之公允價值增加	(939)	(517)
Increase in fair value of investment property	投資物業之公允價值增加	(1,000)	(400)
Write down of inventories	撇銷存貨	179	4,394
Gain on disposal of property, plant and equipment	出售物業、機器及設備收益	(1,707)	(830)
Realised gain on marketable securities	可出售證券之已變現收益	-	(14)
Foreign exchange loss	匯兌虧損	1,685	5,354
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	32,688	28,635
(Increase) decrease in inventories	存貨(增加)減少	(25,752)	19,748
Decrease (increase) in trade and other receivables	應收貿易及其他賬款減少(增加)	9,504	(29,079)
(Decrease) increase in trade and other payables	應付貿易及其他賬款(減少)增加	(1,081)	20,755
Cash generated from operations	經營業務所得之現金	15,359	40,059
Tax reserve certificate purchased	已購買儲稅券	(9,333)	(6,424)
Interest paid	已付利息	(389)	-
PRC Corporate Income Tax paid	已付中國企業所得稅	(4,907)	(1,463)
NET CASH FROM OPERATING ACTIVITIES	經營活動所得之現金淨額	730	32,172
INVESTING ACTIVITIES	投資活動		
Decrease in bank deposits	銀行存款減少	-	20,139
Proceeds from disposal of marketable securities	出售可出售證券之所得款項	-	7,854
Interest received	已收利息	718	1,888
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備所得款項	2,388	1,861
Acquisition of a subsidiary (note 36(a))	收購一間附屬公司(附註36(a))	-	(9,434)
Acquisition of property, plant and equipment	收購物業、機器及設備	(62,699)	(6,048)
Increase in deposits for purchase of property, plant and equipment	購置物業、機器及設備之按金增加	(164)	(4,245)
Repayment from (advance to) shareholders	股東償還(向股東墊付)款項	646	(38)
NET CASH (USED IN) FROM INVESTING ACTIVITIES	投資活動(所用)所得之現金淨額	(59,111)	11,977

Consolidated Statement of Cash Flows
綜合現金流量表For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
FINANCING ACTIVITIES	融資活動		
Repayment of bank borrowing	償還銀行借款	(19,202)	(80)
New bank loans raised	新增銀行借貸	32,567	-
NET CASH FROM (USED IN) FINANCING ACTIVITIES	融資活動所得(所用) 之現金淨額	13,365	(80)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物之(減少) 增加淨額	(45,016)	44,069
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日之現金 及現金等價物	179,386	135,553
Effect of foreign exchange rate changes	匯率變動影響	(865)	(236)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於十二月三十一日之現金 及現金等價物	133,505	179,386

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

1. GENERAL

The Company was incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report. The directors of the Company do not consider any company to be the ultimate holding company of the Company, however, the directors of the Company consider the ultimate controlling party of the Company and its subsidiaries (collectively referred to as the “Group”) to be Mr. Yang Jai Sung.

The functional currency of the Company is KRW. The functional currencies for its certain subsidiaries are Renminbi (“RMB”) and KRW. For the purposes of presenting the financial statements, the Group adopted HKD as its presentation currency as its shares are listed in Hong Kong.

The principal activities of the Company are the manufacture and sale of electronic components. The principal activities of its principal subsidiaries are set out in note 19.

1. 一般資料

本公司於香港註冊成立，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處及主要營業地址於年報之公司資料一節披露。本公司董事不視任何公司為本公司之最終控股公司，然而，本公司董事視梁在星先生為本集團及其附屬公司（統稱為「本集團」）之最終控股人。

本公司之功能貨幣為韓圓，其若干附屬公司之功能貨幣為人民幣（「人民幣」）及韓圓。就呈列財務報表而言，由於本集團之股份於香港上市，故採用港元為其呈列貨幣。

本集團之主要業務是製造及銷售電子元件，其附屬公司之主要業務載於附註19。

Notes to the Financial Statements
財務報表附註For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度**2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)**

In the current year, the Group has applied the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvement to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Revised)	First-time Adoption of HKFRSs
HKFRS 1 (Amendment)	Additional Exemptions from First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK – INT 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HK(IFRIC) – INT 17	Distributions of Non-cash Assets to Owners

2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）

在本年度內，本集團已採納下列由香港會計師公會（「香港會計師公會」）頒布之新訂及經修訂準則、準則修訂本及詮釋（「新訂及經修訂香港財務報告準則」）。

香港財務報告準則（修訂本）	對香港財務報告準則第5號之修訂，作為二零零八年香港財務報告準則之改進之一部分
香港財務報告準則（修訂本）	對二零零九年香港財務報告準則之改進
香港會計準則第27號（經修訂）	綜合及獨立財務報表
香港會計準則第39號（修訂本）	合資格對沖項目
香港財務報告準則第1號（經修訂）	首次採納香港財務報告準則
香港財務報告準則第1號（修訂本）	首次採納者之額外豁免
香港財務報告準則第2號（修訂本）	集團現金結算股份基礎付款交易
香港財務報告準則第3號（經修訂）	業務合併
香港詮釋第5號	財務報表之呈列 – 借款人對載有即時償還條款之定期貸款之分類
香港（國際財務報告詮釋委員會）– 詮釋第17號	向擁有人分派非現金資產

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010
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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKFRS 3 (Revised 2008) Business Combinations

The Group applies HKFRS 3 (Revised) Business Combinations prospectively to business combinations for which the acquisition date is on or after 1 January 2010. The requirements in HKAS 27 (Revised) Consolidated and Separate Financial Statements in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 January 2010.

As there was no transaction during the current year in which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no effect on the consolidated financial statements of the Group for the current or prior accounting periods.

Results, of the Group in the future periods, may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第3號（於二零零八年經修訂）業務合併

本集團就收購日期為二零一零年一月一日或之後之業務合併不予追溯地應用香港財務報告準則第3號（經修訂）「業務合併」。香港會計準則第27號（經修訂）「綜合及獨立財務報表」有關附屬公司所有權益變動（於取得或失去該附屬公司之控制權後）之會計處理之規定，本集團同樣由二零一零年一月一日或之後不予追溯地應用。

由於在本年度並無適用於香港財務報告準則第3號（經修訂）及香港會計準則第27號（經修訂）之交易，應用香港財務報告準則第3號（經修訂）、香港會計準則第27號（經修訂）及其他香港財務報告準則之相應修訂對本集團目前或過往會計期間之綜合財務報表並無構成影響。

本集團未來期間之業績可能會因為適用於香港財務報告準則第3號（經修訂）、香港會計準則第27號（經修訂）及其他香港財務報告準則之相應修訂之未來交易而受到影響。

Notes to the Financial Statements
財務報表附註For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度**2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)**

The Group has not early applied the following new and revised standards, amendments and interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 except for the amendments to HKFRS 3 (as revised in 2008), HKFRS 7, HKAS 1 and HKAS 28 ¹
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ³
HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters ⁵
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Transfers of Financial Assets ⁵
HKFRS 9	Financial Instruments ⁷
HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets ⁶
HKAS 24 (Revised)	Related Party Disclosures ⁴
HKAS 32 (Amendment)	Financial Instruments: Presentation – Classification of Rights Issues ²
HK(IFRIC)-INT 14 (Amendment)	Prepayments of a Minimum Fundings Requirement ⁴
HK(IFRIC)-INT 19	Extinguishing Financial Liabilities with Equity Instruments ⁷

2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

本集團並無提早採納以下已頒布惟尚未生效之新訂或經修訂準則、修訂本或詮釋。

香港財務報告準則	對香港財務報告準則（修訂本）除對香港財務報告準則第3號（二零零八年經修訂）、香港財務報告準則第7號、香港會計準則第1號及香港會計準則第28號之修訂外，對二零一零年頒布之香港財務報告準則之改進 ¹
香港財務報告準則第1號（修訂本）	對首次採納者有關比較性香港財務報告準則第7號披露方式之有限豁免 ³
香港財務報告準則第1號（修訂本）	嚴重高通脹及剔除首次採納者之固定日期 ⁵
香港財務報告準則第7號（修訂本）	金融工具：披露 – 金融資產轉撥 ⁵
香港財務報告準則第9號	金融工具 ⁷
香港會計準則第12號（修訂本）	遞延稅項：相關資產收回 ⁶
香港會計準則第24號（經修訂）	關連人士披露 ⁴
香港會計準則第32號（修訂本）	金融工具：呈列 – 供股之分類 ²
香港（國際財務報告詮釋委員會）– 詮釋第14號（修訂本）	最低資金要求之預付款項 ⁴
香港（國際財務報告詮釋委員會）– 詮釋第19號	以股本工具消除金融負債 ⁷

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010
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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

- ¹ Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate.
- ² Effective for annual periods beginning on or after 1 February 2010.
- ³ Effective for annual periods beginning on or after 1 July 2010.
- ⁴ Effective for annual periods beginning on or after 1 January 2011.
- ⁵ Effective for annual periods beginning on or after 1 July 2011.
- ⁶ Effective for annual periods beginning on or after 1 January 2012.
- ⁷ Effective for annual periods beginning on or after 1 January 2013.

HKFRS 9 Financial Instruments issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at fair values at the end of subsequent accounting periods.

2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

- ¹ 於二零一零年七月一日或二零一一年一月一日（如合適）或以後開始之年度期間生效。
- ² 於二零一零年二月一日或以後開始之年度期間生效。
- ³ 於二零一零年七月一日或以後開始之年度期間生效。
- ⁴ 於二零一一年一月一日或以後開始之年度期間生效。
- ⁵ 於二零一一年七月一日或以後開始之年度期間生效。
- ⁶ 於二零一二年一月一日或以後開始之年度期間生效。
- ⁷ 於二零一三年一月一日或以後開始之年度期間生效。

於二零零九年十一月頒布並於二零一零年十月修訂之香港財務報告準則第9號金融工具引入金融資產及金融負債之分類、計量及取消確認之新規定。

- 香港財務報告準則第9號規定，屬香港會計準則第39號「金融工具：確認及計量」之所有已確認金融資產最後按攤銷成本或公允價值計量。特別是就收取合約現金流為目的以業務模式持有之債務投資及擁有合約現金流之債務投資，且有關現金流純粹為支付本金及未償還本金之利息，則於隨後會計期間期末則一般按攤銷成本計量。所有其他債務投資及股本投資於隨後會計期間期末按公允價值計量。

Notes to the Financial Statements 財務報表附註

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截至二零一零年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was recognised in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors of the Company anticipate that HKFRS 9 that will be adopted in the Group’s consolidated financial statements for annual period beginning on 1 January 2013 and that the application of the new standard will have a significant impact on amounts reported in respect of the Group’s financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The amendments to HKFRS 7 titled Disclosures – Transfers of Financial Assets increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

- 就金融負債之分類及計量而言，香港財務報告準則第9號最重大影響乃有關金融負債信貸風險變動應佔該負債（指定為按公允價值計入損益）公允價值變動之會計處理方法。特別是根據香港財務報告準則第9號，就指定為按公允價值計入損益之金融負債而言，該負債信貸風險變動應佔之金融負債公允價值變動金額於其他全面收益確認，除非在其他全面收益確認負債之信貸風險變動影響會導致或擴大損益上之會計錯配。金融負債信貸風險應佔之公允價值變動其後不會重新分類至損益。過往，根據香港會計準則第39號，指定為按公允價值計入損益之金融負債公允價值變動全部金額於損益確認。

香港財務報告準則第9號將於由二零一三年一月一日或以後開始之年度期間生效，並准許提早應用。

本公司董事預期，香港財務報告準則第9號將於二零一三年一月一日開始的年度期間在本集團綜合財務報表內採納，採納新訂準則將重大影響就本集團金融資產及金融負債呈報的金額。然而，直至詳細審閱已完成為止，提供該影響的合理估計並不可行。

香港財務報告準則第7號「披露—金融資產轉撥」的修訂本增加涉及金融資產轉撥的交易的披露規定。該等修訂旨在就於金融資產被轉讓而轉讓人保留該資產一定程度的持續風險承擔時，提高風險承擔的透明度。該等修訂亦要求於該期間內金融資產轉讓並非均衡分佈時作出披露。

Notes to the Financial Statements 財務報表附註

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

The directors of the Company do not anticipate that these amendments to HKFRS 7 will have a significant effect on the Group’s disclosures regarding transfers of trade receivables previously effected. However, if the Group enters into other types of transfers of financial assets in the future, disclosures regarding those transfers may be affected.

HKAS 24 Related Party Disclosures (as revised in 2009) modifies the definition of a related party and simplifies disclosures for government-related entities. The disclosure exemptions introduced in HKAS 24 (as revised in 2009) do not affect the Group because the Group is not a government-related entity. However, disclosures regarding related party transactions and balances in these consolidated financial statements may be affected when the revised version of the standard is applied in future accounting periods. As the directors of the Company expect no counterparties that did not previously meet the definition of a related party may come within the scope of the standard, the application of this standard will not have any effect on the Group’s operating results, financial position or comprehensive income nor any impact on disclosure.

The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on the historical cost basis except for certain financial instruments and properties, which are measured at fair values, as explained in the accounting policies set out below.

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

本公司董事預期，該等對香港財務報告準則第7號之修訂不會對本集團就以前進行之應收貿易賬款轉撥所作出之披露造成嚴重影響。然而，倘本集團日後訂立其他類型之金融資產轉撥，則有關該等轉撥之披露或會受影響。

香港會計準則第24號「關連人士披露（二零零九年經修訂）」修訂關連人士之定義，並簡化就政府相關實體之披露。香港會計準則第24號（二零零九年經修訂）引入之披露豁免並未影響本集團，原因為本集團並非政府相關實體。然而，當有關準則之經修訂版本於未來會計期間應用時，有關關連人士交易及該等綜合財務報表結餘之披露或會受到影響。由於本公司董事預期並無交易對手方乃之前不符合關連人士定義而有關標準之範圍可能涵蓋到者，故應用此準則不會對本集團之經營業績、財務狀況或全面收益有任何影響，亦不會對披露有任何影響。

本公司董事預期，應用其他新訂或經修訂準則、修訂或詮釋將不會對本集團之業績及財務狀況造成重大影響。

3. 主要會計政策

財務報表已按照歷史成本基準編列，但根據公允價值列值之若干金融工具及物業則除外，詳情在下列之會計政策作出解釋。

財務報表已按香港會計師公會頒布之香港財務報告準則編製。此外，財務報表包括聯交所證券上市規則及香港公司條例所規定之適用披露。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Prior to 1 January 2010, losses applicable to the non-controlling interests in excess of the non-controlling interests in the subsidiary's equity were allocated against the interests of the Group except to the extent that the non-controlling interests had a binding obligation and were able to make an additional investment to cover the losses.

3. 主要會計政策 (續)

(a) 綜合基準

綜合財務報表包括本公司及受本公司控制之實體(其附屬公司)之財務報表。當本公司有權監管該實體之財務及經營政策,以便從其業務中獲取利益,即屬擁有控制權。

於本年度收購或出售之附屬公司,其業績自收購生效日期起或截至出售生效日期止(若適用)計入綜合損益表。

如有需要,會對附屬公司之財務報表作出調整,以使彼等之會計政策與本集團其他成員公司採用之會計政策一致。

所有集團內部交易、結餘、收益及開支已於綜合賬目時對銷。

於附屬公司之非控股權益與本集團於當中權益分開呈列。

分配全面收益總額予非控股權益

附屬公司的全面收益及開支總額會分配予本公司擁有人及非控股權益,即使此舉將導致非控股權益金額出現虧絀。於二零一零年一月一日之前,非控股權益應佔虧損如超出於附屬公司權益中的非控股權益,除該非控股權益須承擔具約束力責任及有能力支付額外投資以彌補虧損外,否則該虧損應由本集團之權益分配。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(a) Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries on or after 1 January 2010

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

3. 主要會計政策 (續)

(a) 綜合基準 (續)

本集團於現有附屬公司之擁有權權益之變動

於二零一零年一月一日後本集團於現有附屬公司之擁有權權益之變動

倘本集團於一間附屬公司之擁有權權益變動並無導致本集團失去對該附屬公司之控制權，則此權益變動將會以權益交易入賬。本集團之權益及非控股權益之賬面值乃作出調整，以反映彼等於附屬公司之相關權益變動。經調整之非控股權益金額與已支付或已收取代價之公允價值間之任何差額乃直接於權益確認，並歸於本公司擁有人。

倘本集團失去對一間附屬公司之控制權，則於出售時之損益乃以下列兩項之差額計算：(i) 所收取代價之公允價值及於失去控制權當日所釐定之任何保留權益公允價值之總和，及(ii) 附屬公司先前之資產（包括商譽）及負債及任何非控股權益之賬面值。倘附屬公司之若干資產按重估金額或公允價值計量，而相關累計損益已於其他全面收益確認並於權益累計，則早前於其他全面收益確認及於權益累計之金額將會以猶如本公司已直接出售相關資產之方式入賬（即於失去控制權當日重新分類至損益或直接轉撥至保留溢利）。於失去控制權當日仍保留於前附屬公司之任何投資公允價值，則根據香港會計準則第39號「金融工具：確認及計量」，將被視為就其後入賬而言初步確認之公允價值，或（如適用）於聯營公司或共同控制實體之投資之初步確認成本。

Notes to the Financial Statements
財務報表附註For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度**3. SIGNIFICANT ACCOUNTING POLICIES**

(Continued)

(a) Basis of consolidation (Continued)***Changes in the Group's ownership interests in existing subsidiaries*** (Continued)

Changes in the Group's ownership interests in existing subsidiaries prior to 1 January 2010

Increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate. For decreases in interests in subsidiaries, regardless of whether the disposals would result in the Group losing control over the subsidiaries, the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognised in profit or loss.

(b) Business combinations

Acquisition of businesses was accounted for using the purchase method. The cost of the acquisition was measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that met the relevant conditions for recognition were generally recognised at their fair value at the acquisition date.

Goodwill arising on acquisition was recognised as an asset and initially measured at cost, being the excess of the cost of the acquisition over the Group's interest in the recognised amounts of the identifiable assets, liabilities and contingent liabilities recognised. If, after assessment, the Group's interest in the recognised amounts of the acquiree's identifiable assets, liabilities and contingent liabilities exceeded the cost of the acquisition, the excess was recognised immediately in profit or loss.

The non-controlling interest in the acquiree was initially measured at the non-controlling interest's proportionate share of the recognised amounts of the assets, liabilities and contingent liabilities of the acquiree.

3. 主要會計政策 (續)**(a) 綜合基準 (續)**

本集團於現有附屬公司之擁有權權益之變動 (續)

於二零一零年一月一日之前本集團於現有附屬公司之擁有權權益之變動

增購於現有附屬公司之權益與收購附屬公司之處理方式相同，商譽或議價購入收益於適用時確認。就減持於附屬公司之權益（不論有關出售事項是否將導致本集團失去對附屬公司之控制權）而言，已收代價與分佔出售淨資產之賬面值之差額乃於損益內確認。

(b) 業務合併

收購業務乃採用會計購買法入賬。收購成本按於交換當日本集團就換取被收購方控制權所給予之資產、所產生或承擔之負債，以及所發行股本工具之公允價值總值，加上業務合併直接應佔之任何成本計量。被收購方之可識別資產、負債及或然負債，一般均以彼等於收購日期之公允價值確認。

因收購而產生之商譽會確認為資產，其初始按成本計量，即收購合併成本超過本集團於所確認之可予識別資產、負債及或然負債之已確認之權益之金額。倘於重新評估後，本集團於被收購公司之可予識別資產、負債及或然負債之公允價值淨額之權益超過收購成本，則超出之金額會立即在損益中確認。

非控股權益於被收購公司之權益初步按非控股權益於所確認之資產、負債及或然負債之比例計量。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(b) Business combinations (Continued)

Contingent consideration was recognised, if and only if, the contingent consideration was probable and could be measured reliably. Subsequent adjustments to contingent consideration were recognised against the cost of the acquisition.

Business combinations achieved in stages were accounted for as separate steps. Goodwill was determined at each step. Any additional acquisition did not affect the previously recognised goodwill.

(c) Goodwill

Goodwill arising on acquisition of a business is carried at cost less any accumulated impairment loss and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on pro rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated income statement. Impairment loss for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

3. 主要會計政策 (續)

(b) 業務合併 (續)

或然代價僅於可能須要支付且其金額能可靠地計量時，才會予以確認。其後對或然代價之調整乃按收購成本確認。

分階段之業務合併乃按個別階段入賬。商譽於各個階段均予釐定。任何額外收購均不會影響過去已確認之商譽。

(c) 商譽

收購業務所產生之商譽以成本減去任何累計減值虧損，分開記入綜合財務狀況表。

就減值測試而言，本集團向預期將受惠於合併效益之各現金產生單位或現金產生單位組別分配商譽。

商譽所分配之現金產生單位或組別將於每年進行減值測試，並於有跡象顯示該單位可能已經減值時加密進行減值測試。倘現金產生單位之可收回金額少於其賬面值時，減值虧損首先分配作減低該單位獲分配之任何商譽之賬面值，其後根據該單位中各項資產賬面值之比例分配予該單位之其他資產。商譽之任何減值虧損直接記入綜合損益表之損益中。就商譽而確認之減值虧損不會於隨後期間撥回。

於出售相關現金產生單位時，計算出售損益時須計入應佔資本化商譽之金額。

Notes to the Financial Statements
財務報表附註For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度**3. SIGNIFICANT ACCOUNTING POLICIES**

(Continued)

(d) Intangible assets**(i) Intangible assets acquired in a business combination**

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets with finite useful lives are carried at revalued amounts, being their fair value at the date of the revaluation less subsequent accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

(ii) Intangible assets acquired separately

Any revaluation increase arising from revaluation of intangible assets is recognised in other comprehensive income and accumulated in revaluation reserve, except to the extent that it reserves a revaluation decrease of the same asset previously recognise in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an intangible asset is recognised in profit or loss to the extent that it exceeds the balance, if any, on the revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to retained profits.

3. 主要會計政策 (續)**(d) 無形資產****(i) 於業務合併中收購之無形資產**

於業務合併中收購之無形資產倘符合無形資產之定義及彼等之公允價值能夠可靠地計量，則與商譽分開確定及確認。有關無形資產之成本乃無形資產於收購日期之公允價值。

於初步確認後，具確定可用年期之無形資產乃按重估金額（其為重估日期之公允價值減任何累計攤銷及任何其後累計減值虧損）列賬。具確定可用年期之無形資產乃按直線法在資產之估計可用年期內攤銷（見下文有關有形及無形資產減值之減值虧損之會計政策）。

(ii) 個別收購之無形資產

因重估無形資產而產生之任何重估增加乃於其他全面收益確認，並於重估儲備累計，惟其撥回同一資產過往於損益確認之重估減少則除外，於此情況下，有關增加乃計入損益，以過往扣除之減少為限。因重估無形資產而產生之賬面淨值減少會於損益確認，惟以超出有關過往重估該資產之重估儲備結餘（如有）為限。於其後出售或報廢重估資產時，應佔之重估盈餘乃轉撥至保留溢利。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(d) Intangible assets (Continued)

(iii) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(e) Financial instruments

Financial assets and financial liabilities are recognised in the consolidated and the Company's statements of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's and the Company's financial assets are classified into one of the following categories, including financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. 主要會計政策 (續)

(d) 無形資產 (續)

(iii) 取消確認無形資產

無形資產乃於出售或預計未來並無經濟利益時取消確認。取消確認無形資產所產生之收益及虧損(其以出售所得款項淨額及資產賬面值之差額計量)乃於資產取消確認時於損益中確認。

(e) 金融工具

當集團實體成為工具合約條文之訂約方，則金融資產及金融負債於綜合及本公司財務狀況表內確認。金融資產及金融負債初步按公允價值計量。因收購或發行金融資產及金融負債(不包括按公允價值透過損益列賬之金融資產及金融負債)而直接產生之交易成本，於初次確認時加入金融資產或金融負債(如適用)之公允價值，或自金融資產或金融負債(如適用)之公允價值扣除。收購按公允價值透過損益列賬之金融資產或金融負債時，直接產生之交易成本即時於損益確認。

金融資產

本集團及本公司之金融資產劃分為以下類別中之一類，包括按公允價值透過損益列賬之金融資產及貸款及應收賬款。分類視乎金融資產之性質而定，並於初次確認時釐定。所有一般性購買或出售之金融資產均按交易日期基準確認或解除確認。一般性購買或出售指按於市場規管或慣例確立之時限內交付資產之金融資產購買或出售。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Financial instruments (Continued)

Financial assets (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is excluded in net gains or losses.

Financial assets at fair value through profit or loss

Financial assets at FVTPL including investments in equity securities.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group and the Company manage together and have a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. 主要會計政策 (續)

(e) 金融工具 (續)

金融資產 (續)

實際利率法

實際利率法乃計算金融資產之攤銷成本及於相關期間攤分利息收入之方法。實際利率指按金融資產之預期可使用年期或較短期間內(如適用)實際貼現估計未來現金收入(包括組成實際利率、交易成本及其他溢價或折價主要部份之已付或收到之全部費用)至初始確認時之賬面淨值之利率。

債務工具之利息收入按實際利率基準確認，惟分類作按公允價值透過損益列賬之金融資產之利息收入不計入收益或虧損淨額除外。

按公允價值透過損益列賬之金融資產

按公允價值透過損益列賬之金融資產包括股本證券投資。

若符合下列情況之一，金融資產將歸類為持作交易金融資產：

- 收購金融資產之目的主要為於近期內出售；或
- 該金融資產為由本集團及本公司共同管理之已識別金融工具投資組合之一部份，並且最近有可短期獲利之實際趨勢；或
- 該金融資產並非被指定為有效對沖工具之衍生工具。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Financial instruments (Continued)

Financial assets (Continued)

Investments in equity securities

The Group's and the Company's policies for investments in equity securities, other than investments in subsidiaries, are as follows:

Investments in equity securities are initially stated at cost, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs.

Investments in securities held for trading, including marketable securities, are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period, the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss.

Investments in equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are recognised in the consolidated and the Company's statements of financial position at cost less impairment losses (see note 3(i)).

Investments are recognised/derecognised on the date the Group and the Company commits to purchase/sell the investments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, amounts due from shareholders, and cash and cash equivalents) are carried at amortised cost using the effective interest method, less any identified impairment loss (see accounting policy on impairment of financial assets below).

3. 主要會計政策 (續)

(e) 金融工具 (續)

金融資產 (續)

股本證券投資

本集團及本公司對投資附屬公司以外之股本證券投資準則如下：

股本證券投資初步以成本列賬，而成本即交易價格，惟公允價值能更可靠地以估值方法進行估計除外。估值方法之變數僅包括可予觀察市場之數據。成本包括應佔交易成本。

持作買賣之股本證券投資（包括可出售證券）分類為流動資產。任何應佔交易成本於發生時在損益表內確認。於每個呈報期末重新計量公允價值，任何導致之收益或虧損在損益表內確認。

倘股本證券投資並無於活躍市場之市場報價及其公允價值無法準確計量，則該等投資在綜合及本公司財務狀況表中以成本值扣除減值虧損確認入賬（見附註3(i)）。

投資於本集團及本公司承諾買入／賣出當日確認／取消確認。

貸款及應收賬款

貸款及應收賬款為有固定或可釐定付款款額但並無於活躍市場內報價之非衍生金融資產。於初次確認後，貸款及應收賬款（包括應收貿易賬款及其他應付款項、應收股東款項及現金及現金等價物）採用實際利率法按攤銷成本減任何已識別減值虧損列賬（見下文有關金融資產減值之會計政策）。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter into bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade and other receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

3. 主要會計政策 (續)

(e) 金融工具 (續)

金融資產 (續)

金融資產之減值

金融資產 (不包括按公允價值透過損益列賬之金融資產) 乃於各呈報期末評估減值跡象。若金融資產於初次確認後發生一項或多項事件而導致有客觀證據證明金融資產之估計未來現金流量受到影響，則視為出現減值。

就其他所有金融資產而言，減值之客觀證據可包括：

- 發行人或對手方遇到嚴重財務困難；或
- 逾期或拖欠利息或本金支付；或
- 借款人有可能破產或進行財務重組；或
- 因財政困難引致金融資產不再出現活躍市場。

就若干類別之金融資產 (例如應收貿易賬款及其他應收款項) 而言，不會單獨作出減值之資產會於其後匯集一併評估減值。應收賬款組合出現減值之客觀證據包括本集團及本公司過往收款記錄、組合內超過平均信貸期之拖欠賬款增加，以及國家或地區經濟狀況出現與應收賬款未能償還之情況相吻合之變動。

就按攤銷成本入賬之金融資產而言，倘具備客觀證據顯示資產減值，則減值虧損於損益確認，並按資產賬面值與根據原實際利率計算之估計未來現金流量之現值之差額計量。

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For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade and other receivable are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses on investments in equity securities will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in investment revaluation reserve.

3. 主要會計政策 (續)

(e) 金融工具 (續)

金融資產 (續)

金融資產之減值 (續)

以成本列賬之金融資產，其減值虧損額乃根據資產賬面值及以類似金融資產現時市場回報率折讓後之估計未來現金流量之現值兩者之差額計算。該減值虧損不會於其後期間撥回。

就所有金融資產而言，金融資產之賬面值乃根據減值虧損直接扣減，惟應收貿易賬款及其他應收款項除外，其賬面值乃利用撥備賬扣減。撥備賬賬面值之變動乃於損益確認。倘應收貿易賬款及其他應收款項被視為無法收回，則從撥備賬撇銷。此前被撇銷之款項於隨後收回後會計入損益。

就按攤銷成本入賬之金融資產而言，倘於其後之期間，減值虧損之金額出現減少而當該等減少可客觀地與確認減值虧損後所發生之事件聯繫，則此前確認之減值虧損於其後之期間於損益撥回，惟於撥回減值日期當日之資產賬面值沒有超出倘沒有確認減值之原有攤銷成本，方可進行撥回。

股本證券投資之減值虧損其後將不會於損益中撥回。於減值虧損後錄得之任何公允價值增加乃直接於全面收益表內確認並於投資重估儲備中累計。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Financial instruments (Continued)

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's and the Company's financial liabilities are generally classified as derivative financial liabilities and other financial liabilities.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

Derivative financial liabilities

Derivative is initially recognised at fair value at the date a derivative contract is entered into and is subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

3. 主要會計政策 (續)

(e) 金融工具 (續)

金融負債及股本權益

由集團實體發行之金融負債及股本工具按所訂立之合約安排性質，以及金融負債及股本工具之定義而分類。

股本工具為證明本集團資產剩餘權益（經扣除其所有負債）之任何合約。本集團及本公司之金融負債一般劃分為衍生金融負債及其他金融負債。

實際利率法

實際利率法乃計算金融負債之攤銷成本及於相關期間分攤利息成本之方法。實際利率指按金融負債之預期可使用年期或較短期間內（如適用）實際貼現估計未來現金付款之利率。

利息開支乃按實際利率基準確認。

衍生金融負債

衍生工具初步按衍生工具合約訂立日期之公允價值確認，其後於呈報期末按公允價值重新計量。公允價值變動所產生之損益乃即時於損益內確認，除非衍生工具被指定為對沖工具並具此效果，則於損益內確認其公允價值變動之時間將視乎對沖關係之性質而定。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010
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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Financial instruments (Continued)

Financial liabilities and equity (Continued)

Other financial liabilities

Other financial liabilities including trade and other payables and bank borrowing are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership of the financial assets. If the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognise their retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognise a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

3. 主要會計政策 (續)

(e) 金融工具 (續)

金融負債及股本權益 (續)

其他金融負債

其他金融負債 (包括應付貿易賬款及其他應付款項及銀行借貸) 乃隨後採用實際利率法按攤銷成本計量。

股本工具

本公司發行之股本工具按已收取之所得款項扣除直接發行費用而記錄。

取消確認

當從資產收取現金流之權利屆滿，或金融資產已轉讓而本集團及本公司已實質上將與金融資產擁有權有關之絕大部份風險和報酬轉移，則會取消確認該項金融資產。倘本集團及本公司並無保留擁有權之絕大部份風險及報酬或繼續控制該等被轉讓資產，本集團及本公司會確認彼等於該資產之保留權益及就可能須要支付之金額計提相應負債。倘本集團及本公司保留已轉讓金融資產擁有權之絕大部份風險及報酬，則本集團及本公司會繼續確認該金融資產，並就已收到之款項確認一項有抵押貸款。當金融資產完全被取消確認時，資產賬面值與所收代價及任何直接於其他全面收益內內確認的累計收益或虧損總和之間的差額會於損益內確認。

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For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Financial instruments (Continued)

Financial liabilities and equity (Continued)

Derecognition (Continued)

On derecognition of a financial asset other than in its entirety (e.g. when the Group and the Company retain an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group and the Company retain control), the Group and the Company allocate the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 主要會計政策 (續)

(e) 金融工具 (續)

金融負債及股本權益 (續)

其他金融負債 (續)

除全面取消確認外，於取消確認金融資產時（如本集團及本公司保留購回部分已轉讓資產之選擇權或保留餘下權益惟不會導致保留擁有權絕大部分風險及回報，而本集團及本公司保留控制權），本集團及本公司會將金融資產之過往賬面值，根據於其確認為繼續參與之部分及不再確認之部分於轉讓日期之相對公允價值，在兩者間作出分配。不再確認部分已於其他全面收益確認之已收代價及獲分配之任何累計收益或虧損之總和及不再確認部分賬面值兩者之差額，乃於損益內確認。已於其他全面收益確認之累計收益或虧損，將按繼續確認之部分及不再確認之部分之相對公允價值之間作出分配。

倘於有關合約訂明之特定責任獲解除、取消或屆滿，則解除確認金融負債。解除確認之金融負債賬面值與已付或應付代價之差額乃於損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(f) Property, plant and equipment

The following land and buildings held for own use are stated at their revalued amounts, being their fair values at the date of revaluation less any subsequent accumulated depreciation and any subsequent accumulated impairment losses:

- freehold land and buildings; and
- land held under operating leases and buildings thereon, where the fair values of the leasehold interest in the land and buildings cannot be measured separately at the inception of the lease and the building is not clearly held under an operating lease (see note 3(h)).

Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Other items of property, plant and equipment are stated in the consolidated and the Company's statements of financial position at cost less accumulated depreciation and impairment losses (see note 3(i)).

Any revaluation increase arising on revaluation of land and buildings is recognised in other comprehensive income and accumulated in revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is recognised in profit or loss to the extent that it exceeds the balance, if any, on the revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revaluated asset, the attributable revaluation surplus is transferred to retained profits.

3. 主要會計政策 (續)

(f) 物業、機器及設備

以下持作自用之土地及樓宇以其重估價值(即根據它們在重估日之公允價值,減去任何其後之累計折舊及其後累計之減值虧損後得出之數額)列賬:

- 永久業權土地及樓宇;及
- 按經營租約持有之土地及建於該等土地上之樓宇,該等土地及樓宇租賃權益之公允價值於租約開始日期無法分別計度,而有關樓宇並非明確根據經營租約持有(見附註3(h))。

重估工作乃定期進行,以確保這些資產之賬面金額與採用呈報期末之公允價值釐定之數額之間不會出現重大差異。

其他物業、機器及設備項目以成本減去累計折舊及減值虧損(見附註3(i))後記入綜合及本公司財務狀況表。

重估土地及樓宇產生的任何重估增值會於其他全面收益確認及計入物業重估儲備,惟若撥回同一資產先前已於損益確認之重估減值則除外。在此情況下,有關重估增值將計入損益內,惟以先前扣除之減值為限。重估資產所產生之賬面淨值減少於損益內確認,惟以其超出該資產先前所作重估之物業重估儲備之餘額(如有)為限。其後出售或報廢該項經重估資產時,應估重估盈餘會轉撥至保留溢利。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(f) Property, plant and equipment (Continued)

Depreciation on revaluated buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Depreciation on other items of property, plant and equipment is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

If an item of property, plant and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item at the date of transfer is recognised in other comprehensive income and accumulated in properties revaluation reserve. On the subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to retained profits.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

(g) Research and development expenditure

Research and development costs comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Because of the nature of the Group's and the Company's research and development activities, the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the project when the remaining development costs are immaterial. Hence both research costs and development costs are generally recognised as expenses in the period in which they are incurred.

3. 主要會計政策 (續)

(f) 物業、機器及設備 (續)

重估樓宇之折舊乃於損益內確認。其後出售或報廢該項經重估物業時，於物業重估儲備保留之應佔重估盈餘會轉撥至保留溢利。

其他物業、機器及設備項目則計提折舊以於考慮其預計剩餘價值後按彼等之預期可使用年期以直線法撇銷物業、機器及設備項目之成本。

倘某項物業、機器及設備項目因用途有所更改（終止自用）而變為投資物業，該項目於轉撥日期之賬面值與公允價值兩者之任何差額將於其他全面損益確認及於物業重估儲備累計。日後出售或棄置該項資產時，有關重估儲備將直接轉至保留溢利。

物業、機器及設備項目乃於出售後或預期持續使用該資產將不會產生未來經濟利益時取消確認。於取消確認該資產時產生之任何收益或虧損（以出售所得款項淨額與該項目之賬面值之差額計算）乃計入於該項目被取消確認期間之損益內。

(g) 研發支出

研發成本包括所有直接由研發活動產生之成本，或可合理地分配作有關活動之成本。由於本集團及本公司之研發活動之性質，把有關成本確認為資產之條件一般須在該項目研發階段之後期才能達致，而當時餘下之研發成本已微不足道。因此，研究成本及開發成本一般均於發生之期間內確認為開支。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(h) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group and the Company as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group and the Company as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and buildings

When a lease includes both land and building elements, the Group and the Company assess the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group and the Company. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis.

3. 主要會計政策 (續)

(h) 租賃

凡租約條款將擁有權絕大部分風險及回報轉讓承租人者，均分類為融資租約。所有其他租約則分類為經營租約。

本集團及本公司作為出租人

經營租約租金收入以直線法按有關租約年期於損益中確認。

本集團及本公司作為承租人

經營租約項下應付租金按直線法於有關租期自損益扣除。作為訂立經營租約獎金之已收及應收福利，按直線法於租期確認為租金開支減少。

租賃土地及樓宇

凡租賃包括土地及樓宇部分，本集團及本公司以租賃資產之擁有權所承擔之絕大部份風險及回報是否已轉移本集團及本公司作為獨立評估其分類屬於融資或經營租賃的依據。具體而言，最低租賃款項（包括任何一次性預付款）被分配到的土地及樓宇部分的比例，以其租賃在開始時土地租賃權益和樓宇租賃權益的比例分配。在租賃款項不能在土地及樓宇之間作可靠分配之情況下，全數租賃款項均被列為物業、廠房及設備之融資租賃入賬。倘能可靠地分配租賃款項，則租賃土地的權益將作為「預付租賃款項」於綜合財務狀況表列賬，並按租賃年期以直線法攤銷。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Impairment losses on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of the reporting period, the Group and the Company review the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

In addition, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3. 主要會計政策 (續)

(i) 有形及無形資產減損(商譽除外(見上文有關商譽之會計政策))

本集團及本公司會於呈報期結束時檢討其有形及無形資產之賬面值，以確定該等資產有否出現減損之任何跡象。如出現有關跡象，會估計資產之可收回金額以釐定減值虧損之程度。

如果無法估計個別資產的可收回金額，本集團及本公司會估計該資產所屬現金產生單位之可收回金額。如有合理而一致之分配方法，企業資產會分配到個別現金產生單位，或以該合理而一致的分配方法，分配至現金產生單位中之最小群組。

此外，具無限可使用年期之無形資產及未供使用之無形資產會每年及於出現可能減值之跡象時進行減值測試。

可收回金額是指資產的公允價值減銷售成本與使用價值兩者中之較高者。在評估使用價值時，預計未來現金流量乃按照反映當前市場對貨幣時間價值及該資產的特定風險評估(當中並無就預計未來現金流量作出調整)之稅前貼現率折算至現值。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Impairment losses on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above) (Continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately in profit or loss, unless the relevant asset (or cash-generating unit) is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

Where impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of impairment loss is recognised as income immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

(j) Club memberships

Club memberships are stated in the consolidated and the Company's statements of financial position at cost less accumulated amortisation and impairment losses. Amortisation of club memberships with finite useful lives is charged to profit or loss on a straight-line basis over their estimated useful life of 20 years. The period of amortisation is reviewed annually.

Club memberships with indefinite useful lives are stated in the consolidated and the Company's statements of financial position at cost less impairment losses (see note 3(i)).

3. 主要會計政策 (續)

(i) 有形及無形資產減損(商譽除外(見上文有關商譽之會計政策))(續)

倘估計資產(或現金產生單位)之可收回金額低於其賬面值,則有關資產(或現金產生單位)之賬面值將減至其可收回金額之水平。減值虧損乃即時確認為開支,除非有關資產(或現金產生單位)按另一準則計算之重估金額列賬,於此情況下,減損被列為該準則項下之重估減少。

倘其後撥回減損,則有關資產(或現金產生單位)之賬面值將增至重新修訂估計之可收回金額,惟增加後之賬面值不得超過假設該資產(或現金產生單位)於過往年度並無確認減損時釐定之賬面值。減損撥回會即時於損益確認為收入,除非有關資產按另一準則計算之重估金額列賬,於此情況下,減損撥回列為該項準則項下之重估增加。

(j) 會所會籍

會所會籍按成本減累計攤銷及減值虧損於綜合及本公司財務狀況表列賬。有限使用年期之會所會籍之攤銷按直線法於20年之估計可用年限內於損益表扣減。攤銷期會每年進行檢討。

具有無限使用年期之會所會籍按成本減減值虧損於綜合及本公司財務狀況表列賬(見附註3(i))。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

(l) Employee benefits

(i) *Short-term employee benefits and contributions to defined contribution retirement plans*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) *Share-based payments*

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at the grant date using the binomial lattice model, taking into accounts the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

3. 主要會計政策 (續)

(k) 存貨

存貨以成本及可變現淨值兩者中之較低數額入賬。成本以加權平均成本法計算。

(l) 僱員福利

(i) *短期僱員福利及界定供款退休計劃之供款*

薪酬、年終花紅、有薪年假、界定供款退休計劃供款及非現金福利成本於僱員提供相關服務之年度計提。倘延遲支付或結付之影響屬重大，此等數額以現值列賬。

(ii) *以股份為基礎之付款*

僱員獲授購股權之公允價值會確認為員工成本，而在權益內之資本儲備則作相應之增加。公允價值乃採用二項式點陣模式，並經考慮授出購股權之條款及條件計算。當僱員須符合歸屬條件才可無條件享有該等購股權，預計購股權之公允價值總額在歸屬期內經考慮購股權歸屬之或然率後攤分入賬。

Notes to the Financial Statements
財務報表附註For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度**3. SIGNIFICANT ACCOUNTING POLICIES**

(Continued)

(I) Employee benefits (Continued)**(ii) Share-based payments (Continued)**

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On the vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium) or the option expires (when it is released directly to retained profits).

Share options granted to employees

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at the grant date using the binomial lattice model, taking into accounts the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

3. 主要會計政策 (續)**(I) 僱員福利 (續)****(ii) 以股份為基礎之付款 (續)**

於歸屬期內，本集團會檢討估計可生效之購股權數目。除非原來之員工支出符合資產確認之要求，否則任何已在往年確認之累計公允價值之調整須在檢討年內之損益表中計入／回撥，並在資本儲備作相應調整。在歸屬日期，除非因純粹與本公司股份之市價有關而未能符合歸屬條件引致權利喪失，否則確認為支出之金額按歸屬購股權之實際數目作調整（並在資本儲備作相應調整）。權益金額在資本儲備中確認，直至購股權獲行使（轉撥至股份溢價賬），或購股權屆滿（直接轉入保留盈利）為止。

授予僱員之購股權

僱員獲授購股權之公允價值會確認為員工成本，而在權益內之資本儲備則作相應之增加。公允價值乃採用二項式點陣模式，並經考慮授出購股權之條款及條件計算。當僱員須符合歸屬條件才可無條件享有該等購股權，預計購股權之公允價值總額在歸屬期內經考慮購股權歸屬之或然率後攤分入賬。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(I) Employee benefits (Continued)

(ii) Share-based payments (Continued)

Share options granted to employees (Continued)

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On the vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium) or the option expires (when it is released directly to retained profits).

Share options granted to consultants/advisors

Share options issued in exchange for goods or services are measured at the fair values of the goods or services received. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (capital reserve), when the Group obtains the goods or when the counterparties render services, unless goods and services qualify for recognition as assets.

3. 主要會計政策 (續)

(I) 僱員福利 (續)

(ii) 以股份為基礎之付款 (續)

授予僱員之購股權 (續)

於歸屬期內，本集團會檢討估計可生效之購股權數目。除非原來之員工支出符合資產確認之要求，否則任何已在往年確認之累計公允價值之調整須在檢討年內之損益表中計入／回撥，並在資本儲備作相應調整。在歸屬日期，除非因純粹與本公司股份之市價有關而未能符合歸屬條件引致權利喪失，否則確認為支出之金額按歸屬購股權之實際數目作調整（並在資本儲備作相應調整）。權益金額在資本儲備中確認，直至購股權獲行使（轉撥至股份溢價賬），或購股權屆滿（直接轉入保留盈利）為止。

授予顧問／諮詢人之購股權

就交換貨品或服務而發行之購股權乃以所收取貨品或服務之公允價值計量。當本集團取得貨品或當對方提供服務時，所收取貨品或服務之公允價值確認為開支，連同股本（資本儲備）相應增加，除非該等貨品及服務合資格確認為資產。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(m) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group and the Company are able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. 主要會計政策 (續)

(m) 所得稅

所得稅開支指現時應付稅項及遞延稅項。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利與綜合損益表中所報溢利不同，此乃由於前者不包括在其他年度應課稅或可扣稅收入或開支，並且不包括從未課稅或可扣稅之項目。本集團之即期稅項負債採用於呈報期末之前已頒布或實質頒布之稅率計算。

遞延稅項根據綜合財務報表資產及負債賬面值及用以計算應課稅溢利相應稅基之臨時差額確認。遞延稅項負債通常會就所有應課稅臨時差額確認。遞延稅項資產一般乃就所有可扣減臨時差額按很可能出現可利用臨時差額扣稅之應課稅溢利時確認。倘於一項交易中，因商譽或因企業合併以外原因首次確認其他資產及負債而引致之臨時差額既不影響應課稅溢利亦不影響會計溢利，則不會確認該等遞延稅項資產及負債。

遞延稅項負債乃按與於附屬公司之投資有關之應課稅臨時差額而確認，惟若本集團及本公司可控制臨時差額之撥回及臨時差額有很可能不會於可見將來撥回之情況除外。與該等投資及權益相關之可扣減臨時差額所產生之遞延稅項資產，只在將來可能有足夠應課稅溢利以利用臨時差額之利益作抵銷並預計於可見將來可撥回之情況下確認。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(m) Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(n) Revenue recognition

(i) Sales of goods

Revenue is recognised when goods are delivered at the customers' premises which are taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownerships. Revenue is after deduction of trade discounts and sales related taxes.

3. 主要會計政策 (續)

(m) 所得稅 (續)

遞延稅項資產之賬面值於每一呈報期末進行檢討，並於並無足夠應課稅溢利可用以撥回所有或部份遞延稅項資產時作出相應扣減。

遞延稅項資產及負債乃按預期於負債獲償還或資產獲變現期間適用之稅率（以呈報期末時已生效或實質上已生效之稅率（及稅法）為基準）計算。遞延稅項負債及資產之計算，反映了本集團及本公司於呈報期末時所預期對收回或償還其資產及負債之賬面值之方式所產生之稅務結果。遞延稅項於損益中確認，惟關於在其他全面收益內或直接在權益中確認之項目有關之遞延稅項除外，在此情況下遞延稅項亦於其他全面收益內或直接在權益中確認。倘於業務合併之初次會計處理中產生即期稅項及遞延稅項，則稅務影響乃計入業務合併之會計處理內。

(n) 收益確認

(i) 銷售貨品

收入在貨品送達客戶場地，而且客戶接收貨品及其所有權相關之風險及回報時確認。收入已扣除營業折扣及退貨。

Notes to the Financial Statements
財務報表附註For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度**3. SIGNIFICANT ACCOUNTING POLICIES**

(Continued)

(n) Revenue recognition (Continued)**(ii) Interest income**

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iii) Scrap sales

Scrap sales is recognised when the goods are delivered to the customers.

(iv) Rental income

Rental income under operating leases is recognised on a straight-line basis over the respective lease terms.

(o) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. 主要會計政策 (續)**(n) 收益確認 (續)****(ii) 利息收入**

金融資產之利息收入根據未償還本金及適用實際利率按時間基準入賬。於初步確認時，有關利率為將金融資產之預期年期內之估計未來金收益正確地貼現至資產之賬面淨值之比率。

(iii) 廢料銷售

廢料銷售在貨品送達客戶時確認。

(iv) 租金收入

營運租約租金收入乃按直線法於有關租賃年期確認。

(o) 外幣

於編製各獨立集團實體之財務報表時，以該實體之功能貨幣以外貨幣（外幣）進行之交易乃按交易當日之適用匯率折算為其功能貨幣（即該實體於主要經濟環境經營所使用之貨幣）記錄。於呈報期末，以外幣列值之貨幣項目按該日之適用匯率重新換算。按公允價值入賬及以外幣列值之非貨幣項目按公允價值釐定當日之適用匯率換算。以外幣按歷史成本計算之非貨幣項目不進行換算。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(o) Foreign currencies (Continued)

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise, except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting the financial statements, the assets and liabilities of the Group's and the Company's foreign operations are translated into the presentation currency of the Group and the Company (i.e. HKD) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the exchange reserve (attributed to non-controlling interest as appropriate).

Goodwill and fair value adjustments on identifiable assets acquired arising on a acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in the exchange reserve.

3. 主要會計政策 (續)

(o) 外幣 (續)

因結算貨幣項目及重新換算貨幣項目而產生之匯兌差額，於該等差額產生期間於損益內確認，惟下列各項除外：

- 作未來生產用途之在建資產有關之外幣借款之匯兌差額，該等匯兌差額於被視為該等外幣借款利息成本之調整時計入該等資產之成本；
- 旨在對沖若干外幣風險而訂立之交易之匯兌差額（見以下會計政策）；及
- 應收或應付海外業務而結算並無計劃亦不會很有可能發生（因此構成海外業務之投資淨額之一部份）之貨幣項目之匯兌差額，該等匯兌差額初步於其他全面收益內確認，並自權益分類至償還貨幣項目之損益。

就呈列財務報表而言，本集團及本公司之海外業務資產及負債乃按呈報期末之適用匯率換算為本集團及本公司之呈列貨幣（即港幣），其收入及開支按該年度之平均匯率換算。產生之匯兌差額（如有）於其他全面收益內確認並在權益按匯兌儲備中累計（於適用情況歸屬予非控股權益）。

由換算於海外業務所產生之已收購商譽及可識別資產之公允價值調整，按該海外業務之資產及負債處理並已按呈報期末所使用之適用匯率重新換算。所產生之匯兌差額乃於匯兌儲備內確認。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(p) Investment property

Investment property is property held to earn rentals and/or for capital appreciation.

On initial recognition, investment property is measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment property is measured at its fair value using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which item is derecognised.

(q) Government grants

Government grants are not recognised until there is reasonable assurance that the Group and the Company will comply with the conditions attaching to them and that the grants will be received.

3. 主要會計政策 (續)

(p) 投資物業

投資物業指為收取租金及／或資本增值而持有之物業。

於初次確認時，投資物業按成本（包括任何直接應佔開支）計量。於初次確認後，投資物業使用公允價值模式按公允價值計量。投資物業公允價值變動所產生之收益或虧損於產生期間內計入損益。

投資物業於出售時，或永遠不再使用及預期不會從出售中取得日後經濟利益時取消確認。資產解除確認所產生之收益或虧損（按出售所得款項淨額與資產賬面值之差額計算）於項目取消確認之期間內計入損益。

(q) 政府補助

在合理地保證本集團及本公司會遵守政府補助之附帶條件以及將會得到資助後，政府補助方會予以確認。

Notes to the Financial Statements
財務報表附註For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度**3. SIGNIFICANT ACCOUNTING POLICIES**

(Continued)

(q) Government grants (Continued)

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants related to depreciable assets are recognised as a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets. Other government grants are recognised as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group and the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan on prevailing market interest rates.

(r) Investments in subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss (see note 3(i)).

(s) Cash and cash equivalents

Bank balances and cash in the consolidated and the Company's statement of financial position comprise cash at banks and on hand. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash.

3. 主要會計政策 (續)**(q) 政府補助 (續)**

政府補助乃按配對基準，於本集團將有關補助擬補償之有關成本確認為開支之期間內，於損益中確認。有關可折舊資產之政府補助，乃於綜合財務狀況報表內確認為相關資產賬面值之扣除，並於相關資產之可使用年內轉撥至損益。其他政府補助以系統化基準，按與擬補貼之成本配對之所需期間確認為收益。政府補助乃作為支出或已產生虧損之補償、或以給予本集團及時財務支援為而言之應收款項（而於彼等成為應收款項之期間並無確認未來之相關成本）。

以低於市場利率之政府借貸所得之優惠乃以政府補助處理，並按已收所得款項及現行市場借貸利率計息借貸兩者之差額計量。

(r) 於附屬公司之投資

附屬公司為本公司控制之實體。當本公司有權規管實體之財務及經營政策，以從該實體之業務中獲取利益時，即表示存在控制權。於評估控制權時，將計及目前可予行使之潛在投票權。

本公司財務狀況表所示於附屬公司之投資，是按成本減去減值虧損（見附註3(i)）後入賬。

(s) 現金及現金等價物

於綜合及本公司財務狀況表內之銀行結餘及現金包括銀行現金及手存現金。就綜合現金流量表而言，現金及現金等價物包括現金。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's and the Company's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Impairment of tangible assets

The Group and the Company review the carrying amounts of the assets at the end of each reporting period to determine whether there is objective evidence of impairment. When indication of impairment is identified, management prepares discounted future cashflow to assess the differences between the carrying amount and value in use and provide for impairment loss. Any change in the assumption adopted in the cash flow forecasts would increase or decrease in the provision of impairment loss and affect the Group's and the Company's net asset value.

Impairment losses for trade and other receivables are assessed and provided based on the directors' regular review of ageing analysis and evaluation of collectability. A considerable level of judgment is exercised by the directors when assessing the credit worthiness and past collection history of each individual customer. An increase or decrease in the above impairment loss would affect the profit in the year and in future years. Impairment loss of approximately HK\$2,772,000 (2009: HK\$196,000) has been recognised for the year.

4. 估計不確定因素之主要來源

於應用附註3所述本集團及本公司之會計政策時，本公司董事須作出有關資產及負債賬面值而目前未能從其他來源得出之判斷、估計及假設。該等估計及相關假設乃建基於過往經驗及被認為相關之其他因素。實際結果可能與該等估計有出入。

估計及相關假設乃以持續基準審閱。對會計估計進行修訂乃於估計修訂期間（倘修訂只影響該期間）或於修訂期間及未來期間（倘修訂同時影響本期間及未來期間）確認。

以下討論有關未來之主要假設以及於呈報期末所作估計之不確定性之其他主要來源，而該等假設及不確定性大有可能導致須於下一個財政年度內對資產及負債賬面值作重大調整。

(a) 有形資產減值

本集團及本公司於呈報期末覆核資產之賬面值，以釐定是否有減值之客觀依據。倘出現減值跡象，管理層編製經貼現現金流量，以評估賬面值及使用值之差額，並作出撥備。就現金流預測所作出假設如有任何變化，可能會使減值虧損撥備增加或減少，從而影響本集團及本公司之資產淨值。

就應收貿易及其他賬款所評估及準備之減值虧損乃以董事就賬齡分析及款項可收回程度之評估而進行之定期覆核為基準。評估個別客戶之信用程度及還款記錄時，需董事作出相當程度之判斷。上述資產減值之增加或減少或會影響年內及未來年度之溢利。減值虧損約2,772,000港元（二零零九年：196,000港元）已於年內確認。

Notes to the Financial Statements
財務報表附註For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度**4. KEY SOURCES OF ESTIMATION UNCERTAINTY**
(Continued)**(b) Impairment of goodwill**

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. No impairment loss was recognised for the year ended 31 December 2010 and 31 December 2009.

(c) Impairment of patents

Determining whether patents are impaired requires an estimation of the value-in-use of the patents. The value-in-use calculation requires the Group and the Company to estimate the future cash flows expected to arise from the patents and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. No impairment loss was recognised for the year ended 31 December 2010 and 31 December 2009.

(d) Net realisable value of inventories

The Group and the Company perform regular review of the carrying amounts of inventories with reference to aged inventories analysis, expected future consumption and management judgment. Based on this review, write down of inventories will be made when the carrying amounts of inventories decline below their estimated net realisable value. Due to changes in technology and market conditions, actual consumption may be different from estimation and profit or loss could be affected by differences in this estimation. During the year, the Group and the Company wrote down of inventories approximately HK\$179,000 (2009: HK\$4,394,000).

4. 估計不確定因素之主要來源 (續)**(b) 商譽減值**

釐定商譽是否減值需要估計獲分配商譽之現金產生單位之使用價值。使用價值計算需要本集團估計預期有關現金產生單位所產生之未來現金流及合適之貼現率以計算現值。倘實際未來現金流較預期為少，則會產生重大減值虧損。於截至二零一零年十二月三十一日及二零零九年十二月三十一日止年度，並無就減值虧損進行確認。

(c) 專利權減值

釐定專利權是否減值需要估計專利權之使用價值。使用價值計算需要本集團估計預期有關專利權所產生之未來現金流及合適之貼現率以計算現值。倘實際未來現金流較預期為少，則會產生重大減值虧損。於截至二零一零年十二月三十一日及二零零九年十二月三十一日止年度，並無就減值虧損進行確認。

(d) 存貨之可變現淨值

本集團及本公司經參考存貨之賬齡分析、預期未來使用量及管理層判斷就存貨之賬面值進行定期檢討。根據該檢討，倘存貨之賬面值低於其估計可變現淨值則作出撇減。由於技術及市場變化，實際使用量可能與估計不同，而損益可能因估計之不同而受影響。年內，本集團及本公司撇銷存貨約179,000港元（二零零九年：4,394,000港元）。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010
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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(e) Income taxes

Determining income tax provisions involves judgment on the future tax treatment of certain transactions and interpretation of tax rules. The Group and the Company carefully evaluate tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation. Details of taxation are set out in note 11.

Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future profit will be available against which the unused tax credit can be utilised, management's judgment is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered. Details of deferred tax are set out in note 32.

(f) Fair value of derivative financial liabilities

As disclosed in note 31, the fair value of the derivative component of the liabilities at the measurement date was determined using option pricing models. Application of option pricing models requires the Group and the Company to estimate the prominent factors affecting the fair value, including but not limited to, the expected life of the derivative instruments and the expected volatility of the market price.

Where the estimation on the abovementioned factors is different from those previously estimated, such differences will impact the fair value gain or loss of the derivative financial instruments in the period in which such determination is made.

4. 估計不確定因素之主要來源 (續)

(e) 所得稅

釐定所得稅撥備涉及對若干交易日後稅務處理之判斷及對稅務法例之詮釋。本集團及本公司謹慎評估交易之稅務影響並據此製訂稅務撥備。本集團定期重新審議上述交易之稅務處理以便將所有稅法變動考慮在內。稅項詳情載於附註11。

遞延稅項資產是就未利用稅務虧損及可抵扣暫時差額而確認。由於遞延稅項資產只限在很可能獲得能利用該遞延稅項資產來抵扣之未來應課稅溢利時才會確認，因此需要管理層判斷獲得未來應課稅溢利之可能性。本集團不斷審閱管理層之評估，倘若很可能獲得能利用遞延稅項資產之未來應課稅溢利，便會確認額外之遞延稅項資產。遞延稅項詳情載於附註32。

(f) 衍生金融負債之公允價值

誠如附註31所披露，負債之衍生工具部分於個別計量日之公允價值乃以期權定價模式釐定。本集團於應用期權定價模式時須預測主要影響公允價值之因素，其中包括（但不限於）衍生工具之預計年期及市價之預期波幅。

倘上述因素之估計與先前估計有別，有關差異將影響釐定期間衍生金融工具之公允價值盈利或虧損。

Notes to the Financial Statements 財務報表附註

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5. CAPITAL RISK MANAGEMENT

The Group's and the Company's primary objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost. The Group's and the Company's overall strategies remain unchanged from prior year.

The Group and the Company actively and regularly review and manage their capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group and the Company generally finance the operations with internally generated cash flows. As of 31 December 2010, the Group and the Company have borrowings of approximately HK\$13,844,000 and HK\$13,758,000 (2009: HK\$194,000 and nil) respectively. Cash and cash equivalents are in excess of net debt which is defined as trade and other payables and bank borrowings.

5. 資本風險管理

本集團及本公司管理資本之首要目標乃保障本集團及本公司能夠繼續按持續經營基準經營，從而透過與風險水平相對應之產品及服務定價以及獲得合理成本之融資，繼續為股東及利益相關者創造回報。本集團之整體策略與去年維持不變。

本集團及本公司積極及定期對資本架構作出檢討及管理，以在較高股東回報情況下可能出現之較高借貸水平與良好之資本狀況帶來之好處及保障之間取得平衡，並因應經濟環境之變化對資本架構作出調整。

本集團及本公司一般以內部產生之現金流量提供營運所需資金。於二零一零年十二月三十一日，本集團及本公司已有借款分別約13,844,000港元及13,758,000港元（二零零九年：194,000港元及無）。現金及現金等價物均超出負債淨額（界定為應付貿易及其他賬款以及銀行借貸）。

Notes to the Financial Statements
財務報表附註For the year ended 31 December 2010
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6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		The Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Financial assets	金融資產		
Investments in equity securities	股本證券投資	-	-
Loans and receivables (including cash and cash equivalents)	貸款及應收賬款 (包括現金及現金等價物)	278,788	330,913
		278,788	330,913
Financial liabilities	金融負債		
Liabilities measured at amortised cost	按攤銷成本計量之負債	98,046	85,035
Derivative financial liabilities	衍生金融負債	6,452	7,391
		104,498	92,426

		The Company 本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Financial assets	金融資產		
Investments in equity securities	股本證券投資	-	-
Loans and receivables (including cash and cash equivalents)	貸款及應收賬款 (包括現金及現金等價物)	287,737	329,709
		287,737	329,709
Financial liabilities	金融負債		
Liabilities measured at amortised cost	按攤銷成本計量之負債	96,700	127,367
Derivative financial liabilities	衍生金融負債	6,452	7,391
		103,152	134,758

6. 金融工具

(a) 金融工具分類

Notes to the Financial Statements
財務報表附註For the year ended 31 December 2010
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6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

The Group's and the Company's major financial instruments include investments in equity securities, trade and other receivables, amounts due from shareholders, cash and cash equivalents, trade and other payables, derivative financial liabilities and bank borrowing. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk, foreign currency risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

As at 31 December 2010, the Group's and the Company's maximum exposure to credit risk which will cause a financial loss to the Group and the Company due to failure to discharge an obligation by the counterparties provided by the Group and the Company is arising from the carrying amount of respective recognised financing assets as stated in the consolidated and the Company's statements of financial position. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The credit terms granted by the Group and the Company to its customers generally range from 30 to 90 days. New customers are normally required to trade on a cash basis. Credit is offered to existing customers following an established payment record. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

6. 金融工具 (續)

(b) 財務風險管理目標及政策

本集團及本公司之主要金融工具包括股本證券投資、貿易及其他應收款項、應收股東款項、現金及現金等價物、貿易及其他應付款項、衍生金融負債及銀行借貸。該等金融工具之詳情於各附註內披露。與該等金融工具相關之風險包括市場風險(利率風險、外幣風險及其他價格風險)、信貸風險及流動資金風險。有關如何降低該等風險之政策載列如下。管理層對該等風險進行管理及監控,以確保能夠以及時和有效之方式實施合適之措施。

信貸風險

於二零一零年十二月三十一日,本集團及本公司因對手方未能履行責任而可能面臨財務虧損之最高信貸風險,乃因綜合及本公司財務狀況表中所述各項已確認金融資產之賬面值而產生。管理層具備信貸政策,而該等信貸風險乃按持續基準監察。

本集團及本公司給予客戶之除賬期,一般介乎30日至90日。新客戶一般會以現金方式進行交易。在評估付款記錄之情況後,會給予現有客戶信貸。倘客戶要求給予超過某金額之信貸,則會對所有有關客戶作個別信貸評估。該等評估集中於客戶以往到期還款之紀錄及現時還款之能力,並考慮到客戶本身特有之資料及與客戶經營所在經濟環境有關之資料。

Notes to the Financial Statements
財務報表附註For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The Group and the Company do not obtain collateral from customers for the year ended 31 December 2010 and 2009.

The Group's and the Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. At the end of the reporting period, the Group and the Company have a certain concentration of credit risk as 11% (2009: 19%) and 37% (2009: 44%) of the total trade and bills receivables was due from the Group's and the Company's largest customer and the five largest customers, respectively.

In order to minimise the credit risk, the management of the Group and the Company have delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group and the Company review the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's and the Company's credit risk is significantly reduced.

The Group's and the Company's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for 44% (2009: 61%) of the total trade receivables as at 31 December 2010.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

6. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險 (續)

截至二零一零年及二零零九年十二月三十一日止年度，本集團及本公司並沒有向客戶收取抵押物。

本集團及本公司所面對之信貸風險主要受到每名客戶個別特性之影響。客戶經營所在行業及國家之違約風險亦影響到信貸風險，但影響程度較低。於呈報期末，本集團及本公司有若干集中信貸風險，因其應收貿易賬款中有約11%（二零零九年：19%）及37%（二零零九年：44%）分別來自本集團及本公司之最大客戶及五大客戶。

為了儘量降低信貸風險，本集團及本公司管理層已委派一組人員負責制定信貸限額、信貸審批及其他監控程式，藉以確保採取跟進行動收回逾期債項。此外，本集團及本公司會在各呈報期末審閱各項個別貿易債項之可收回金額，確保對無法收回金額計提充足之減值虧損撥備。有鑒於此，本公司董事認為本集團及本公司之信貸風險已顯著降低。

本集團及本公司按地域劃分之集中信貸風險主要位於中國，於二零一零年十二月三十一日佔貿易應收賬款總額的44%（二零零九年：61%）。

流動資金的信貸風險有限，因為大部分對手方均為獲國際信貸評級機構發出信貸評級較高的銀行。

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6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

The Group's and the Company's policies are to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table detailed the Group's and the Company's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

In addition, the following table details the Group's and the Company's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash (inflows) and outflows on derivative instruments that settle on a net basis, and the undiscounted gross (inflows) and outflows on those derivatives that require gross settlement. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of the reporting period.

6. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險

本集團及本公司之政策為定期監察流動資金需求，以確保其備有足夠現金儲備及可向大型財務機構取得足夠融資額度，以應付長短期流動資金需要。

下表詳細列明根據協定的還款條款，本集團及本公司非衍生金融負債餘下的合約到期期限。該表乃按本集團及本公司須付款的最早日期並以金融負債中的未貼現現金流量為基準編製。該表載列了利息及本金現金流量。在利息流按浮動利率計息的前提下，未貼現金額乃自呈報期末的利率曲線得出。

此外，下表詳列本集團衍生金融工具之流動資金分析，顯示以淨值結算之衍生工具未貼現合約現金淨值（流入量）及流出量與以總額結算之衍生工具未貼現總額（流入量）及流出量。倘應付款項不固定，未貼現金額乃參考呈報期末的利率曲線得出。

Notes to the Financial Statements
財務報表附註For the year ended 31 December 2010
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6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The Group

		2010 二零一零年				
		Within 1 year or on demand 一年內 或按要求 HK\$'000 千港元	After 1 year but within 2 years 一年後 但兩年內 HK\$'000 千港元	After 2 years but within 5 years 兩年後 但五年內 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金 流量總計 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
Trade and other payables	應付貿易及其他賬款	84,202	-	-	84,202	84,202
Bank borrowing	銀行借貸	14,149	-	-	14,149	13,844
		98,351	-	-	98,351	98,046
Derivative – gross settlement	衍生 – 總額結算					
Derivative financial liabilities	衍生金融負債	-	-	6,452	6,452	6,452

		2009 二零零九年				
		Within 1 year or on demand 一年內 或按要求 HK\$'000 千港元	After 1 year but within 2 years 一年後 但兩年內 HK\$'000 千港元	After 2 years but within 5 years 兩年後 但五年內 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金 流量總計 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
Trade and other payables	應付貿易及其他賬款	84,841	-	-	84,841	84,841
Bank borrowing	銀行借貸	119	85	-	204	194
		84,960	85	-	85,045	85,035
Derivative – gross settlement	衍生 – 總額結算					
Derivative financial liabilities	衍生金融負債	-	-	7,391	7,391	7,391

6. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

本集團

Notes to the Financial Statements
財務報表附註For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The Company

		2010 二零一零年			Carrying amount and total undiscounted cash flow 賬面值及未貼現現金流量總計 HK\$'000 千港元
Non-derivative financial liabilities 非衍生金融負債		Within 1 year or on demand 一年內或按要求 HK\$'000 千港元	After 1 year but within 2 years 一年後但兩年內 HK\$'000 千港元	After 2 years but within 5 years 兩年後但五年內 HK\$'000 千港元	
Trade and other payables	應付貿易及其他賬款	82,942	-	-	82,942
Bank borrowing	銀行借貸	13,998	-	-	13,758
		96,940	-	-	96,700
Derivative – gross settlement Derivative financial liabilities	衍生 – 總額結算 衍生金融負債	-	-	6,452	6,452

		2009 二零零九年			Carrying amount and total undiscounted cash flow 未貼現現金流量總計 HK\$'000 千港元
Non-derivative financial liabilities 非衍生金融負債		Within 1 year or on demand 一年內或按要求 HK\$'000 千港元	After 1 year but within 2 years 一年後但兩年內 HK\$'000 千港元	After 2 years but within 5 years 兩年後但五年內 HK\$'000 千港元	
Trade and other payables	應付附屬公司款項	84,169	-	-	84,169
Amounts due to subsidiaries	應付貿易及其他賬款	43,198	-	-	43,198
		127,367	-	-	127,367
Derivative – gross settlement Derivative financial liabilities	衍生 – 總額結算 衍生金融負債	-	-	7,391	7,391

In order to manage the above liquidity demands, at 31 December 2010, approximately HK\$133,505,000 (2009: HK\$179,386,000) and HK\$131,740,000 (2009: HK\$178,391,000) of the Group's and the Company's assets are held in cash respectively.

為管理上述流動資金需求，於二零一零年十二月三十一日，本集團及本公司約 133,505,000 港元（二零零九年：179,386,000 年港元）及 131,740,000 港元（二零零九年：178,391,000 港元）之資產分別以現金方式持有。

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財務報表附註For the year ended 31 December 2010
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6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk

Interest rate risk

The Group and the Company is exposed to fair value interest rate risk in relation to fixed-rate bank borrowing (see note 28 for details of this borrowing).

The Group and the Company are exposed to cash flow interest rate risk only to the extent on variable-rate bank deposits.

At 31 December 2010, it is estimated that a general increase/decrease of 10 basis points (2009: 10 basis points) in interest rates for bank deposits, with all other variables held constant, would have increased/decreased the Group's and the Company's profit after taxation and increased/decreased the Group's and the Company's retained profits by approximately HK\$130,000 and HK\$129,000 (2009: increase/decrease the Group's and the Company's loss after taxation and increased/decreased the Group's and the Company's retained profits by approximately HK\$179,000 and HK\$178,000) respectively. Other components of equity would not be affected by the changes in interest rates.

The sensitivity analysis above indicates the instantaneous change in the Group's and the Company's profit for the year (and retained profits) that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to remeasure those financial instruments held by the Group and the Company which expose the Group and the Company to cash flow interest rate risk at the end of the reporting period. The analysis is performed on the same basis for 2009. A 10 basis points (2009: 10 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

6. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險

利率風險

本集團面臨與浮息銀行借款有關的現金流利率風險 (有關借貸詳情見附註 28)。

本集團及本公司只就其有賺取利息收入之銀行存款承受公允價值利率風險。

於二零一零年十二月三十一日，在所有其他變數不變的情況下，估計銀行存款之利率全面上調/下調10個基點 (二零零九年：10個基點)，將會導致本集團及本公司除稅後溢利增加/減少，及導致本集團及本公司保留溢利增加/減少分別約130,000港元及129,000港元 (二零零九年：本集團及本公司除稅後虧損增加/減少，及本集團及本公司保留溢利增加/減少分別約179,000港元及178,000港元)。利率波動不會對權益下之其他項目產生影響。

以上的敏感度分析顯示假設利率變動於呈報期末發生時對本集團年內溢利 (及保留溢利) 所產生之即時影響，並已用於重新計量本集團所持金融工具，該等金融工具使本集團於呈報期末面對公允價值利率風險。分析按二零零九年相同之基準進行。向主要管理人員內部匯報利率風險時，利用10個基點 (二零零九年：10個基點) 之增減，代表管理層對利率的潛在變動作出之評估。

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For the year ended 31 December 2010
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6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Equity price risk

The Group and the Company are exposed to equity price risk through its investments in unlisted equity securities (note 23). Their performance is assessed at least bi-annually based on limited information available to the Group and the Company together with an assessment of their relevance to the Group's and the Company's long term strategic plans.

Equity price sensitivity

There is no significant exposure of equity price as all securities are either disposed or fully impaired or no material fluctuation for the years ended 31 December 2010 and 2009.

Foreign currency risk

The Group and the Company are exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and bank balances and borrowing that are denominated in a foreign currency i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to the risk are primarily United States dollars ("USD"), Japanese Yen ("JPY"), RMB and Korean Won ("KRW"). The Group and the Company ensure that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

6. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

股價風險

本集團及本公司因投資非上市股本證券 (附註23) 而面對股價風險。彼等之表現乃按照本集團及本公司所得之有限資料，以及彼等對本集團及本公司長期策略規劃之相關程度，每半年評估一次。

股價敏感度

由於全部證券已於截至二零一零年及二零零九年十二月三十一日止年度出售或進行全數減值或並無明顯波動，故並無重大股價風險。

外匯風險

本集團及本公司主要因買賣交易產生以外幣 (即就該交易而言並非相關業務之功能貨幣) 為單位之應收款項、應付款項及銀行結餘及借貸，因而面對外匯風險。面臨風險之貨幣主要包括美元、日圓、人民幣及韓圓。本集團及本公司於有需要時按現貨匯率買賣外幣，以應付短期不平衡情況，務求確保所面對之外幣淨風險處於可接受水平。

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6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Foreign currency risk (Continued)

Exposure to currency risk

The following tables detailed the Group's and the Company's exposure at the end of the reporting period to currency risk arising from monetary assets and liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purpose, the amounts of the exposure are shown in HKD, translated using the spot rate at the end of the reporting period.

6. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

外匯風險 (續)

所面對之貨幣風險

下表詳列本集團及本公司於呈報期末所面對之貨幣風險，有關風險是因有關公司的功能貨幣以外之貨幣為單位之貨幣資產及負債而產生。為方便呈列，風險金額以港元顯示，按年底之現貨匯兌予以換算。

		The Group 本集團			
		2010 二零一零年		2009 二零零九年	
		Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元	Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元
USD	美元	182,246	25,367	235,485	29,695
JPY	日元	889	-	126	214
RMB	人民幣	7,236	10,226	28,716	6,771
KRW	韓圓	170,744	27,745	1,453	-
Singapore dollars ("SGD")	新加坡元	1	-	-	-
Australian dollars ("AUD")	澳元	8	-	-	-
		361,124	63,338	265,780	36,680

		The Company 本公司			
		2010 二零一零年		2009 二零零九年	
		Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元	Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元
USD	美元	182,246	25,367	235,485	29,695
JPY	日元	889	-	126	214
RMB	人民幣	2,690	7,244	28,716	6,771
KRW	韓圓	110,631	25,463	1,453	-
SGD	新加坡元	1	-	-	-
AUD	澳元	8	-	-	-
		296,465	58,074	265,780	36,680

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6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Foreign currency risk (Continued)

Sensitivity analysis

The following table indicated the instantaneous change in the Group's and the Company's profit for the year (and retained profits) that would arise if the foreign exchange rates to which the Group and the Company have significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the HKD and the USD would be materially unaffected by any changes in movement in value of the USD against other currencies.

6. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

外匯風險 (續)

敏感度分析

下表顯示本集團及本公司於呈報期末時具重大風險之外幣匯率於當日變動對本集團之年內溢利(及保留溢利)之即時影響,已假設其他風險變數不變。就此而言,乃假設已掛鈎的港元與美元匯率不會因美元兌其他貨幣匯價走勢的任何變動而受到重大影響。

		2010 二零一零年		2009 二零零九年	
		Increase/ (decrease) in foreign exchange rates 外幣匯率 上升/ (下降)	Effect on profit or loss before taxation 對除稅前 損益之影響 HK\$'000 千港元	Increase/ (decrease) in foreign exchange rates 外幣匯率 上升/ (下降)	Effect on profit or loss before taxation 對除稅前 損益之影響 HK\$'000 千港元
USD	美元	1.0% (1.0)%	1,569 (1,569)	1.0% (1.0)%	2,058 (2,058)
JPY	日元	11.0% (11.0)%	98 (98)	11.0% (11.0)%	(10) 10
RMB	人民幣	2.0% (2.0)%	(60) 60	2.0% (2.0)%	439 (439)
KRW	韓圓	29.0% (29.0)%	41,470 (41,470)	29.0% (29.0)%	421 (421)

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6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Foreign currency risk (Continued)

Sensitivity analysis (Continued)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the group entities' profit or loss for the year and equity measured in the respective functional currencies, translated into HKD at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to remeasure those financial assets and liabilities held by the Group and the Company which expose the Group and the Company to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's and the Company's presentation currency. The analysis is performed on the same basis for 2009.

No sensitivity analysis was prepared for SGD and AUD because the Group's and the Company's exposure to these currencies is minimal.

Fair values

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices and ask prices respectively; and
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis;

6. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

外匯風險 (續)

敏感度分析 (續)

上表所呈列之分析結果指本集團各個實體以個別功能貨幣計量 (為呈報目的, 已按呈報期末之匯率兌換為港元) 之本年度溢利或虧損與權益之即時合併影響。

敏感度分析已假設外幣匯率之變動已用於重新計量本集團所持有並於呈報期末使本集團及本公司面臨外匯風險之金融資產及負債。此分析不包括將外地業務之財務報表換算成本集團及本公司之呈列貨幣所產生之差額。該項分析按與二零零九年相同之基準進行。

因本集團及本公司認為就新加坡元及澳元所承受之風險並不重大, 故並無就該兩種貨幣編製敏感度分析。

公允價值

金融資產及金融負債的公允價值釐定如下:

- 附帶標準條款及條件並於高度流通市場買賣之金融資產及金融負債之公允價值乃分別參考所報市場買入價及賣出價; 及
- 其他金融資產及金融負債 (不包括衍生工具) 的公允價值乃按貼現現金流量分析; 及

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6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Fair values (Continued)

- the fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

The directors consider that the fair values of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate to their corresponding carrying amounts.

Fair value measurements recognised in the consolidated and the Company's statements of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

6. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

公允價值 (續)

- 衍生工具之公允價值以報價計算。當未能獲取有關價格時，就非期權衍生工具而言，公允價值將以其有效期適用之孳息曲線進行折算現金流量分析估計，而就期權衍生工具而言，公允價值則採用期權定價模式進行估計。

董事認為，在財務報表內按攤銷成本記錄之金融資產及金融負債與其相應賬面值相若。

在綜合及本公司財務狀況表中確認之公允價值計量

下表提供初次確認後按公允價值計量之金融工具分析，並根據可觀察公允價值之程度歸類為第一至三層。

- 第一層公允價值計量乃根據相同資產或負債在活躍市場之報價（未經調整）計算所得。
- 第二層公允價值計量乃根據除第一層所包括報價以外而就資產或負債而言屬可觀察之輸入資料，直接（即作為價格）或間接（即來自價格）計算所得。

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財務報表附註For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度**6. FINANCIAL INSTRUMENTS** (Continued)**(b) Financial risk management objectives and policies** (Continued)**Fair values** (Continued)

Fair value measurements recognised in the consolidated and the Company's statements of financial position (Continued)

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are based on observable market data (unobservable inputs).

6. 金融工具 (續)**(b) 財務風險管理目標及政策** (續)**公允價值** (續)

在綜合及本公司財務狀況表中確認之公允價值計量 (續)

- 第三層公允價值計量乃使用估值技巧而其中輸入並非基於可觀察市場數據之資料(非觀察輸入資料)所得。

	2010 二零一零年	2009 二零零九年
	Level 2 第二層	Level 2 第二層
	HK\$'000 千港元	HK\$'000 千港元
Derivative financial liabilities 衍生金融負債	6,452	7,391

There were no transfers between Level 1 and Level 2 in both years.

Included in consolidated income statement is an amount of approximately HK\$939,000 fair value gain (2009: HK\$517,000) related to the derivative financial liabilities held at the end of the reporting period.

兩個年度內概無第一層與第二層間之轉撥。

計入綜合損益表乃有關於呈報期末持有之衍生金融負債之公允價值收益約939,000港元(二零零九年: 517,000港元)。

7. SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of electronic components. The Group's operations are divided into two reportable segments: composite components segment and unit electronic components segment.

7. 分部資料

本集團主要從事製造及銷售電子元件。本集團之營運分為兩個可呈報分部: 複合元件分部及單位電子元件分部。

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7. SEGMENT INFORMATION (Continued)

Segment turnover and results

The following is an analysis of the Group's turnover and results by reportable segments:

		Composite components 複合元件		Unit electronic components 單位電子元件		Consolidated 綜合	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Turnover	營業額	391,814	422,027	288,667	170,253	680,481	592,280
Segment profit (loss)	分部溢利(虧損)	7,327	7,087	4,183	(6,610)	11,510	477
Net unallocated operating income	未經分配經營收入淨額					2,508	2,831
Profit before taxation	除稅前溢利					14,018	3,308

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit/loss represents the profit earned by/loss from each segment without allocation of part of other income and amortisation of intangible assets. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

7. 分部資料(續)

分部營業額及業績

以下為本集團之營業額及業績按可呈報分部所作之分析：

可呈報分部之會計政策與本集團之會計政策(如附註3所述)相同。分部溢利/虧損指各分部所賺溢利/所蒙虧損,當中並無分配部份其他收入部份及無形資產攤銷。此乃向主要營運決策者報告以決定資源分配及表現評估之計量。

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7. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

		Composite components 複合元件		Unit electronic components 單位電子元件		Consolidated 綜合	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Segment assets	分部資產	178,618	203,184	145,047	51,198	323,665	254,382
Unallocated assets	未經分配資產					206,237	240,417
Consolidated assets	綜合資產					529,902	494,799
Segment liabilities	分部負債	43,793	62,148	39,530	20,859	83,323	83,007
Unallocated liabilities	未經分配負債					72,595	57,213
Consolidated liabilities	綜合負債					155,918	140,220

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments other than cash and cash equivalents, intangible assets, goodwill, part of other receivables, amounts due from shareholders, deposits for purchase of property, plant and equipment and investment property. Assets used jointly by reportable segments are allocated on the basis of the production capacity; and
- all liabilities are allocated to reportable segments other than part of other payables, derivative financial liabilities, current and deferred tax liabilities.

7. 分部資料 (續)

分部資產及負債

以下為本集團之資產與負債按可呈報分部所作之分析：

為監督分部表現及在各分部之間分配資源：

- 所有資產分配至可呈報分部，現金及現金等價物、無形資產、商譽、部分其他應收賬款、應收股東款項及購買物業、機器及設備之按金及投資物業除外。可呈報分部共用之資產乃按產能分配；及
- 所有負債分配至可呈報分部，部分其他應付賬款、衍生金融負債、本期及遞延稅項負債除外。

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7. SEGMENT INFORMATION (Continued)

Other segment information

Amount included in the measure of segment profit or loss or segment assets:

	Composite components 複合元件		Unit electronic components 單位電子元件		Unallocated 未分配		Consolidated 綜合	
	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Additions to non-current assets 添置非流動資產	38,560	4,981	28,384	2,034	-	28,634	66,944	35,649
Depreciation and amortisation 折舊及攤銷	12,448	13,683	5,422	5,309	-	-	17,870	18,992
Gain on disposal of property, plant and equipment 出售物業、機器及設備 之收益	1,707	830	-	-	-	-	1,707	830
Impairment loss on trade receivables 應收貿易賬款之減值虧損	2,118	196	654	-	-	-	2,772	196
Reversal of impairment loss on trade receivables 撥回應收貿易賬款 之減值虧損	(118)	(308)	(42)	-	-	-	(160)	(308)
(Reversal of impairment loss on) Write down of inventories (撥回減值虧損) 撇銷存貨	(1,834)	3,053	2,013	1,341	-	-	179	4,394

Note: Non-current assets excluded goodwill, intangible assets and deposits for purchase of property, plant and equipment.

附註：非流動資產不包括商譽、無形資產及購買物業、機器及設備之按金。

Geographical information

The Group's operation is principally located in Hong Kong and other parts of the PRC.

地區分部資料

本集團之營運主要位於香港及中國其他地區。

7. 分部資料 (續)

其他分部資料

以下為計量分部溢利或虧損或分部資產所計入之款額：

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7. SEGMENT INFORMATION (Continued)

Geographical information (Continued)

The Group's revenue from external customers and information about its non-current assets by geographical location of the assets are detailed below:

		Turnover 營業額		Non-current assets 非流動資產	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
PRC (other than Hong Kong)	中國(香港除外)	330,562	354,537	76,611	41,954
Hong Kong	香港	152,039	91,945	7,566	5,666
Korea	韓國	141,510	103,561	55,887	28,454
Others	其他	56,370	42,237	–	–
		680,481	592,280	140,064	76,074

Note: Non-current assets excluded goodwill, intangible assets and deposits for purchase of property, plant and equipment.

附註：非流動資產不包括商譽、無形資產及購買物業、機器及設備之按金。

Information about major customers

The Group's customer base includes one customer (2009: two customers) with whom transactions have exceed 10% of the Group's turnover. For the year ended 31 December 2010, revenues from this customer amounted to approximately HK\$72,000,000 from composite component (2009: HK\$113,000,000 and HK\$69,000,000 from composite components and unit electronic components respectively).

有關主要客戶之資料

本集團之客戶群包括一名客戶(二零零九年：兩名客戶)，彼等之交易佔本集團營業額超過10%。截至二零一零年十二月三十一日止年度，來自該客戶有關複合元件收益約為72,000,000港元(二零零九年：來自該等客戶有關複合元件及單位電子元件之收益分別約113,000,000港元及69,000,000港元)。

8. TURNOVER

Turnover represents the sales value of goods supplied to customers less goods returned and trade discounts.

8. 營業額

營業額乃供應予客戶之產品的銷售價值，扣除退貨及貿易折扣。

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9. OTHER INCOME

9. 其他收入

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Interest income from bank deposits	銀行存款之利息收入	637	1,823
Interest income from proceeds receivables from disposal of equity securities	出售股本證券所得款項之利息收入	81	65
Rental income	租金收入	312	249
Gain on disposal of property, plant and equipment	出售物業、機器及設備之收益	1,707	830
Scrap sales	廢料銷售	169	214
Realised gain on marketable securities	可出售證券之已變現收益	-	14
Reversal of impairment loss on trade and other receivables	應收貿易及其他賬款之減值虧損回撥	160	308
Value added tax refund (note)	增值稅退稅(附註)	2,748	1,022
Increase in fair value of derivative financial liabilities	衍生金融負債之公允價值增加	939	517
Increase in fair value of investment property	投資物業之公允價值增加	1,000	400
Others	其他	959	307
		8,712	5,749

Note: A tax concession has been granted by the PRC tax authority to one of the Company's PRC subsidiaries which is engaged in the export sales of electronic products. Under this concession, the PRC subsidiary is entitled to a refund of value added tax paid in excess of the rate stipulated in tax concession. The amount of value added tax refund is recognised as other income on an accrual basis.

附註：中國稅務機關向本公司從事電子產品出口銷售業務之中國附屬公司作出稅項減免。根據此項減免，中國附屬公司可就已付增值稅超過稅項減免所約定稅率之部分獲得退稅。增值稅退稅金額按應計基準確認為其他收入。

10. FINANCE COSTS

10. 融資成本

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Interest charges on: Bank loans wholly repayable within five years	利息支出： 於五年內償還之銀行貸款	389	-

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11. TAXATION

11. 稅項

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Hong Kong Profits Tax	香港利得稅		
Provision for the year	本年度撥備	3,674	1,042
Under-provision in prior years	過往年度撥備不足	-	35,996
		3,674	37,038
PRC Corporate Income Tax	中國企業所得稅		
Provision for the year	本年度撥備	1,708	2,095
Under (over)-provision in prior years	過往年度撥備不足(過剩)	58	(185)
		1,766	1,910
		5,440	38,948
Deferred tax (note 32)	遞延稅項(附註32)		
Charged for the year	本年度支銷	885	644
		6,325	39,592

Notes:

- (a) Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

Provision for the PRC Corporate Income Tax for Shenzhen Kwang Sung Electronics Co., Ltd. ("Shenzhen Kwang Sung") and Kwang Sung Electronics Trading (Shenzhen) Co., Ltd. is calculated at 22% and 25% (2009: 20% and 25%) of estimated assessable profits for the year, respectively.

The Korea Branch and a subsidiary operated in Korea are subject to corporate income tax at a rate of 10% (2009: 11%). No provision for taxation has been made for two years ended 31 December 2010 and 2009 as the Korea branch and the subsidiary had no assessable profits for both years.

附註:

- (a) 香港利得稅將按兩個年度之估計應課稅溢利按16.5%之稅率計算。

深圳光星電子有限公司(「深圳光星」)及光星電子貿易(深圳)有限公司之中國企業所得稅撥備乃以本年度估計應課稅溢利分別按22%及25%(二零零九年:20%及25%)計算。

韓國分公司及一間在韓國經營之附屬公司按企業所得稅率10%(二零零九年:11%)繳稅。由於韓國分公司及附屬公司於兩個年度內均無應課稅溢利,故截至二零一零年及二零零九年十二月三十一日止兩個年度均無作出稅項撥備。

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11. TAXATION (Continued)

Notes: (Continued)

- (b) The Group carries out manufacturing activities in the PRC through its subsidiary, Shenzhen Kwang Sung and under the terms of a processing agreement with a third party factory, and has substantial involvement in these manufacturing activities undertaken in the PRC. The profits earned are thus considered to be partly arising and derived from the manufacturing activities carried out in the PRC and partly from other activities performed in Hong Kong. Accordingly, the Group claimed a 50:50 offshore concession in respect of Hong Kong Profits Tax which had been agreed with the Hong Kong Inland Revenue Department (the "HKIRD") in the year of assessment 1999/2000.

In 2008, the HKIRD enquired the Group the basis of its 50:50 offshore claims for the years of assessment 2001/02 to 2006/07 in relation to the Group's manufacturing activities carried out in the PRC, and issued an additional assessment of approximately HK\$3,318,000 for the year of assessment 2001/02 on the basis that the Group was not eligible to the 50:50 offshore claims for profits derived from manufacturing activities carried out by Shenzhen Kwang Sung. The Company lodged an objection against the additional assessment and purchased a tax reserve certificate of approximately HK\$3,318,000 as demanded by the HKIRD in 2008.

In March 2009, the HKIRD issued another demand note for additional tax payable for the year of assessment 2002/03 amounted to approximately HK\$6,424,000 in relation to the above 50:50 offshore claims. The Company lodged an objection against the additional assessment and purchased a tax reserve certificate of approximately HK\$6,424,000 as demanded by the HKIRD in 2009.

In March 2010, the HKIRD issued another demand note for additional tax payable for the year of assessment 2003/04 amounted to approximately HK\$9,334,000 in relation to the above 50:50 offshore claims. The Company lodged an objection against the additional assessment and purchased a tax reserve certificate of approximately HK\$9,334,000 as demanded by the HKIRD in the year ended 31 December 2010.

The Group's operation has remained unchanged since 1999/2000, in view of the stringent approach adopted by the HKIRD in treating 50:50 manufacturing offshore profits claim, the Group had made provision for the previously 50:50 offshore claims of approximately HK\$35,996,000 during the year ended 31 December 2009, however, a sum of tax expense of approximately HK\$9,946,000 should be borne by two shareholders, details are set out in note 39(a)(ii).

11. 稅項 (續)

附註：(續)

- (b) 本集團透過其附屬公司深圳光星以及根據與第三方工廠訂立之一項加工協議之條款在中國進行製造活動，並積極參與在中國進行之該等製造活動。由此所賺取之溢利，部分被視為從中國進行之製造活動所產生及取得，而部分被視為從香港進行之其他活動所產生及取得。故此，本集團就香港利得稅提出 50:50 之離岸申索要求，而香港稅務局曾於一九九九 / 二零零零評稅年度同意該豁免要求。

於二零零八年，香港稅務局向本集團查詢有關本集團在中國所進行的製造活動而就二零零一 / 零二至二零零六 / 零七評稅年度提出 50:50 離岸申索要求之依據，並基於本集團不合資格就深圳光星進行之製造活動所賺取溢利享有 50:50 之離岸申索，而就二零零一 / 零二評稅年度發出額外評稅約 3,318,000 港元。本公司於二零零八年對該額外評稅提出反對，並如香港稅務局要求購買儲稅券約 3,318,000 港元。

於二零零九年三月，香港稅務局發出另一份額外評稅通知書，就二零零二 / 零三評稅年度發出有關上述 50:50 離岸申索之額外評稅約 6,424,000 港元。本公司於二零零九年對額外評稅提出反對，並如香港稅務局要求購買儲稅券約 6,424,000 港元。

於二零一零年三月，香港稅務局發出另一份額外評稅通知書，就二零零三 / 零四評稅年度發出有關上述 50:50 離岸申索之額外評稅約 9,334,000 港元。本公司於截至二零一零年十二月三十一日止年度對額外評稅提出反對，並如香港稅務局要求購買儲稅券約 9,334,000 港元。

本集團自一九九九 / 二零零零年以來之營運維持不變，但有見香港稅務局在處理 50:50 製造業務離岸溢利豁免申索上採取嚴格手法，故本集團已就過往之 50:50 離岸申索於截至二零零九年十二月三十一日止年度作出約 35,996,000 港元撥備。然而，稅項開支總額約 9,946,000 港元須由兩位股東承擔 (載於附註 39(a)(ii)) 詳情。

Notes to the Financial Statements
財務報表附註For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

11. TAXATION (Continued)

Notes: (Continued)

- (c) In 2007, the Shenzhen Local Tax Bureau enquired the related party transactions and transfer price policy of Shenzhen Kwang Sung for the five years from 1 January 2002 to 31 December 2006. Shenzhen Kwang Sung had submitted the requested information to the Shenzhen Local Tax Bureau and estimated that an additional income tax payable of approximately HK\$1,408,000 in respect of the enquiries was required. Full provision for the estimated additional income tax payable of approximately HK\$1,408,000 was made in the 2007 financial statements.

In 2008, the scope of enquiries regarding the transfer price policy of Shenzhen Kwang Sung from Shenzhen Local Tax Bureau has been changed to cover the five years from 1 January 2003 to 31 December 2007. Directors of the Company reassessed the matter and estimated that the Group would have to pay in total of approximately HK\$4,445,000. Accordingly, an additional provision for PRC Corporate Income Tax of approximately HK\$3,037,000 was made in the 2008 financial statements.

During the year ended 31 December 2010, the Company has obtained an agreement from the Shenzhen Local Tax Bureau to its proposed settlement.

- (d) Pursuant to Shen Guo Shui Fa 2008 notice 145, Shenzhen Kwang Sung is subject to PRC Corporate Income Tax at a rate of 20% in 2009, 22% in 2010 and 24% in 2011. From 1 January 2012 onwards, the applicable tax rate will be 25%.
- (e) The basic Korean Corporate Tax rates for year starting on or after 1 January 2009 are 11% on the first KRW200,000,000 of the tax base and 22% for the excess. The tax rates are 10% and 22% for 2010. In addition to the basic tax rate, there is a resident surcharge of 10% on the income tax liability.

11. 稅項 (續)

附註：(續)

- (c) 於二零零七年，深圳市地方稅務局查詢深圳光星由二零零二年一月一日至二零零六年十二月三十一日五年內之關連人士交易及轉移定價政策。深圳光星已向深圳市地方稅務局提交所要求的資料，並估計須就有關查詢額外應付所得稅約1,408,000港元。在二零零七年度財務報表中已就估計額外應付所得稅作出約1,408,000港元全數撥備。

於二零零八年，深圳市地方稅務局就深圳光星轉移定價政策之查詢範圍更改為由二零零三年一月一日起至二零零七年十二月三十一日止之五年內。本公司董事重新評估並估計本集團需繳付合共約4,445,000港元。因此已於截至二零零八年度財務報表就中國企業所得稅額外作出約3,037,000港元撥備。

截至二零一零年十二月三十一日止年度，本公司已取得深圳市地方稅務局就本公司提出的解決方法表示同意。

- (d) 根據深國稅發[2008]145號通告，深圳光星於二零零九年、二零一零年及二零一一年分別須按中國企業所得稅率20%、22%及24%繳稅。自二零一二年一月一日起，其適用稅率將為25%。
- (e) 由二零零九年一月一日或以後開始之年度，基本韓國企業稅率為稅基中首200,000,000韓圓為11%，超過之部份則為22%。於二零一零年之稅率為10%及22%。除基本稅率外，亦就所得稅負債徵收10%居民附加稅。

Notes to the Financial Statements
財務報表附註For the year ended 31 December 2010
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11. TAXATION (Continued)

The taxation for the years can be reconciled to the profit before taxation per the consolidated income statement as follows:

11. 稅項 (續)

各年度稅項於綜合損益表中與除稅前溢利之對賬如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit before taxation	除稅前溢利	14,018	3,308
Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned	按照在相關稅務司法權區獲得溢利的適用稅率計算除稅前溢利的名義稅項	2,629	2,667
Tax effect of non-deductible expenses for tax purpose	就稅項用途而言不可扣除開支的稅務影響	2,767	1,481
Tax effect of non-taxable income for tax purpose	就稅項用途而言毋須課稅收入的稅務影響	(828)	(1,191)
Tax effect of concession on patents (note)	專利權的稅務影響(附註)	-	(1,876)
Deferred tax asset in respect of tax losses and other temporary differences not recognised	有關尚未確認之稅項虧損及其他臨時差額之遞延稅項資產	1,699	2,700
Under-provision in prior years	過往年度撥備不足	58	35,811
Taxation for the year	本年度稅項	6,325	39,592

Note: According to Hong Kong Inland Revenue Ordinance S.16(1) g, the sum expensed for the registration of patents used in the trade, profession or business which produces profits are allowed to be deducted from the Hong Kong Profits Tax.

附註：根據香港稅務條例第16(1)g條，註冊作貿易、專業或業務用途並牟利之專利權所支銷的金額可從香港利得稅中扣減。

Notes to the Financial Statements
財務報表附註For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

12. PROFIT (LOSS) FOR THE YEAR

12. 本年度溢利(虧損)

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit (loss) for the year is arrived at after charging (crediting):	本年度溢利(虧損)經扣除(計入):		
Auditors' remuneration	核數師酬金	475	450
Minimum lease payments under operating leases – hire of properties	經營租賃下之最低租賃付款 – 租用物業	4,093	4,527
Staff costs (including directors' remunerations disclosed in note 13)	員工成本 (包括披露於附註13之董事酬金)		
– salaries, wage, allowance and other benefits in kind	– 薪金、工資、津貼及其他實物福利	83,965	74,708
– retirement scheme contributions	– 退休計劃之供款	1,871	1,787
		85,836	76,495
Cost of inventories recognised as an expense	確認為開支之存貨成本	587,618	517,780
Amortisation of intangible assets	無形資產攤銷	1,145	855
Impairment loss on trade receivables (included in other operating expenses)	應收貿易賬款減值虧損 (計入其他經營開支)	2,772	196
Net foreign exchange (gains) losses	匯兌(收益)虧損淨額	(247)	2,746
Write down of inventories (included in cost of sales)	存貨撇減(計入銷售成本)	179	4,394
Depreciation	折舊	16,791	18,177
Less: amount recorded under government grant	減: 政府補貼下錄得之金額	(66)	(40)
Amount charged to the consolidated income statement	於綜合損益表中支銷之金額	16,725	18,137
Net rental income	淨租金收入	(312)	(249)

Cost of inventories includes approximately HK\$55,640,000 (2009: HK\$57,130,000) relating to staff costs, depreciation and minimum lease payments in respect of rented premises, of which amounts are also included in the respective total amounts disclosed separately above.

Minimum lease payments include an amount of approximately HK\$675,000 (2009: HK\$704,000) for staff quarters which is also included and disclosed in staff costs.

存貨成本包括與員工成本、折舊及租賃物業最低租賃付款有關的約55,640,000港元(二零零九年: 57,130,000港元), 這些金額已個別計入上表分開披露之各項總金額內。

最低租賃付款包括租賃員工宿舍之約675,000港元(二零零九年: 704,000港元), 該金額亦包括和披露在員工成本內。

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財務報表附註

For the year ended 31 December 2010
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13. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

13. 董事酬金

根據香港公司條例第161條作出披露之董事酬金如下：

		Directors' fees 董事袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼及實物福利 HK\$'000 千港元	Retirement scheme contributions 退休計劃供款 HK\$'000 千港元	Total 合計 2010 二零一零年 HK\$'000 千港元
Executive directors	執行董事				
Yang Jai Sung	梁在星	-	2,580	12	2,592
Woo Nam Jin (note)	禹南珍(附註)	-	-	-	-
Lee Kyu Young	李圭英	-	762	13	775
Non-executive director	非執行董事				
Yang Ho Sung	梁皓星	27	401	-	428
Independent non-executive directors	獨立非執行董事				
Kim Chung Kweon	金正權	82	13	-	95
Han Byung Joon	韓丙濬	84	-	-	84
Kim Chan Su	金鑽洙	84	17	-	101
		277	3,773	25	4,075

		Directors' fees 董事袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼及實物福利 HK\$'000 千港元	Retirement scheme contributions 退休計劃供款 HK\$'000 千港元	Total 合計 2009 二零零九年 HK\$'000 千港元
Executive directors	執行董事				
Yang Jai Sung	梁在星	-	2,150	12	2,162
Woo Nam Jin (note)	禹南珍(附註)	-	958	12	970
Lee Kyu Young	李圭英	-	608	12	620
Non-executive director	非執行董事				
Yang Ho Sung	梁皓星	230	-	-	230
Independent non-executive directors	獨立非執行董事				
Kim Chung Kweon	金正權	75	-	-	75
Han Byung Joon	韓丙濬	80	-	-	80
Kim Chan Su	金鑽洙	90	-	-	90
		475	3,716	36	4,227

Note: Resigned on 29 January 2010.

No directors waived any emoluments in the years ended 31 December 2010 and 2009. No emoluments were paid to the directors as inducement to join or upon joining the Group or as compensation for loss of office in the years ended 31 December 2010 and 2009.

附註：於二零一零年一月二十九日辭任

截至二零一零年及二零零九年十二月三十一日止年度，概無董事放棄任何酬金。截至二零一零年及二零零九年十二月三十一日止年度，概無向董事支付酬金，以用作誘使加入或於加入本集團時或作為離職之補償。

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財務報表附註For the year ended 31 December 2010
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14. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, one (2009: two) were directors of the Company whose emoluments are disclosed in note 13. The emoluments of the remaining four (2009: three) individuals, which are individually below HK\$1,000,000, were as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	3,581	2,747
Retirement scheme contributions	退休計劃供款	48	36
		3,629	2,783

No emoluments were paid to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office for the years ended 31 December 2010 and 2009.

15. DIVIDENDS

No dividend was paid or proposed during 2010, nor has any dividend been proposed since the end of the reporting period (2009: Nil).

14. 五名最高薪人士

五名最高薪人士中，其中一名（二零零九年：兩名）為本公司董事，其酬金已於上文附註13作出披露。其他四名（二零零九年：三名）最高薪人士之酬金在1,000,000港元以下，載列如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	3,581	2,747
Retirement scheme contributions	退休計劃供款	48	36
		3,629	2,783

截至二零一零年及二零零九年十二月三十一日止年度，概無向五名最高薪酬人士支付酬金，以用作誘使加入或於加入本集團時或作為離職之補償。

15. 股息

於二零一零年並無派發或建議派發股息，自呈報期末以來並無建議派發任何股息（二零零九年：無）。

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16. EARNINGS (LOSS) PER SHARE

(a) Basic earnings (loss) per share

The calculation of basic earnings (loss) per share is based on the profit for the year attributable to the owners of the Company of approximately HK\$8,087,000 (2009: loss for the year of approximately HK\$35,774,000) and the weighted average number of ordinary shares of 323,897,000 (2009: 321,325,000) in issue during the year.

Weighted average number of ordinary shares

16. 每股盈利(虧損)

(a) 每股基本盈利(虧損)

每股基本盈利(虧損)是按本公司擁有人應佔本年度溢利約8,087,000港元(二零零九年:年度虧損約35,774,000港元)及年內已發行普通股之加權平均數323,897,000股(二零零九年:321,325,000股)計算。

普通股之加權平均數

		Number of shares 股份數目	
		2010 二零一零年 '000 千股	2009 二零零九年 '000 千股
Issued ordinary shares at 1 January	於一月一日之已發行普通股	323,897	315,362
Effect of new shares issued	已發行新股之影響	-	5,963
Weighted average number of ordinary shares	普通股加權平均數	323,897	321,325

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16. EARNINGS (LOSS) PER SHARE (Continued)

(b) Diluted earnings (loss) per share

Diluted earnings per share are the same as basic earnings per share for the year ended 31 December 2010 because the Company had no outstanding dilutive potential shares during the year.

The computation of diluted loss per share does not assume the concession of the Company's outstanding share options since their exercise would result in decrease in loss per share for the year ended 31 December 2009.

16. 每股盈利(虧損)(續)

(b) 每股攤薄盈利(虧損)

截至二零一零年十二月三十一日止年度之每股攤薄盈利與每股基本盈利一樣，原因是本公司於年內並無具攤薄性質之潛在股份。

計算每股攤薄虧損時並無假設本公司未行使購股權的減免，因為行使該等購股權將導致截至二零零九年十二月三十一日止年度之每股虧損減少。

		Number of shares 股份數目
		2009 二零零九年
		'000 千股
Weighted average number of ordinary shares used in calculating basic loss per share	用作計算每股基本虧損之普通股加權平均數	321,325
Deemed issue of ordinary shares under the Company's share option scheme for nil consideration	視作根據本公司之購股權計劃以零代價發行普通股	329
Weighted average number of ordinary shares used in calculating diluted loss per share	用作計算每股攤薄虧損之普通股加權平均數	321,654

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17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、機器及設備

The Group

本集團

		Land and buildings held for own use 持作自用 之土地及樓宇 HK\$'000 千港元	Plant and machinery 機器及設備 HK\$'000 千港元	Other property, plant and equipment 其他物業、 機器及設備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST OR VALUATION	成本或估值				
At 1 January 2009	於二零零九年 一月一日	28,735	128,431	33,719	190,885
Exchange adjustments	匯兌調整	1,295	1,640	556	3,491
Additions	增添	–	2,659	4,356	7,015
Acquired on acquisition of a subsidiary (note 36)	於收購附屬公司 購得(附註36)	–	294	–	294
Disposals	出售	–	(5,584)	(682)	(6,266)
Surplus on revaluation	重估盈餘	9,167	–	–	9,167
Reclassified to investment property (note 18)	重新分類為投資物業 (附註18)	(3,700)	–	–	(3,700)
Less: Elimination of revaluation	減: 重估時對銷	(854)	–	–	(854)
At 31 December 2009	於二零零九年 十二月三十一日	34,643	127,440	37,949	200,032
REPRESENTING	代表				
Cost	成本	–	127,440	37,949	165,389
Valuation – 2009	估值 – 二零零九年	34,643	–	–	34,643
		34,643	127,440	37,949	200,032
DEPRECIATION	折舊				
At 1 January 2009	於二零零九年 一月一日	–	86,975	28,182	115,157
Exchange adjustments	匯兌調整	–	1,033	453	1,486
Provided for the year	年度撥備	854	13,484	3,839	18,177
Eliminated on disposals	出售時對銷	–	(5,101)	(134)	(5,235)
Elimination on revaluation	重估時對銷	(854)	–	–	(854)
At 31 December 2009	於二零零九年 十二月三十一日	–	96,391	32,340	128,731
CARRYING VALUES	賬面值				
At 31 December 2009	於二零零九年 十二月三十一日	34,643	31,049	5,609	71,301

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17. PROPERTY, PLANT AND EQUIPMENT (Continued)

17. 物業、機器及設備(續)

The Group (Continued)

本集團(續)

		Land and buildings held for own use 持作自用 之土地及樓宇 HK\$'000 千港元	Plant and machinery 機器及設備 HK\$'000 千港元	Other property, plant and equipment 其他物業、 機器及設備 HK\$'000 千港元	Construction- in-progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST OR VALUATION	成本或估值					
At 1 January 2010	於二零一零年一月一日	34,643	127,440	37,949	–	200,032
Exchange adjustments	匯兌調整	3,822	2,965	1,080	62	7,929
Additions	增添	49,863	4,204	10,744	2,133	66,944
Disposals	出售	(462)	(13,210)	(1,632)	–	(15,304)
Surplus on revaluation	重估盈餘	6,470	–	–	–	6,470
Less: Elimination of revaluation	減：重估時對銷	(1,093)	–	–	–	(1,093)
At 31 December 2010	於二零一零年 十二月三十一日	93,243	121,399	48,141	2,195	264,978
REPRESENTING	代表					
Cost	成本	–	121,399	48,141	2,195	171,735
Valuation – 2010	估值 – 二零一零年	93,243	–	–	–	93,243
		93,243	121,399	48,141	2,195	264,978
DEPRECIATION	折舊					
At 1 January 2010	於二零一零年一月一日	–	96,391	32,340	–	128,731
Exchange adjustments	匯兌調整	12	492	304	–	808
Provided for the year	年度撥備	1,091	11,763	3,937	–	16,791
Eliminated on disposals	出售時對銷	(10)	(12,997)	(1,616)	–	(14,623)
Elimination on revaluation	重估時對銷	(1,093)	–	–	–	(1,093)
At 31 December 2010	於二零一零年 十二月三十一日	–	95,649	34,965	–	130,614
CARRYING VALUES	賬面值					
At 31 December 2010	於二零一零年 十二月三十一日	93,243	25,750	13,176	2,195	134,364

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17. PROPERTY, PLANT AND EQUIPMENT (Continued)

17. 物業、機器及設備 (續)

The Company

本公司

		Land and buildings held for own use 持作自用 之土地及樓宇 HK\$'000 千港元	Plant and machinery 機器及設備 HK\$'000 千港元	Other property, plant and equipment 其他物業、 機器及設備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST OR VALUATION	成本或估值				
At 1 January 2009	於二零零九年 一月一日	19,185	22,842	11,690	53,717
Exchange adjustments	匯兌調整	1,295	1,812	520	3,627
Additions	增添	–	308	2,658	2,966
Disposals	出售	–	(5,584)	(11)	(5,595)
Surplus on revaluation	重估盈餘	4,249	–	–	4,249
Reclassified to investment properties (note 18)	重新分類 為投資物業 (附註 18)	(3,700)	–	–	(3,700)
Less: Elimination of accumulated depreciation	減：對銷累計 折舊	(586)	–	–	(586)
At 31 December 2009	於二零零九年 十二月三十一日	20,443	19,378	14,857	54,678
REPRESENTING	代表				
Cost	成本	–	19,378	14,857	34,235
Valuation – 2009	估值 – 二零零九年	20,443	–	–	20,443
		20,443	19,378	14,857	54,678
DEPRECIATION	折舊				
At 1 January 2009	二零零九年 一月一日	–	13,771	9,764	23,535
Exchange adjustments	匯兌調整	–	782	438	1,220
Charge for the year	本年度支銷	586	3,111	1,289	4,986
Written back on disposals	出售時撇銷	–	(5,101)	(7)	(5,108)
Elimination on revaluation	重估時對銷	(586)	–	–	(586)
At 31 December 2009	於二零零九年 十二月三十一日	–	12,563	11,484	24,047
CARRYING VALUES	賬面值				
At 31 December 2009	於二零零九年 十二月三十一日	20,443	6,815	3,373	30,631

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17. PROPERTY, PLANT AND EQUIPMENT (Continued)

17. 物業、機器及設備 (續)

The Company (Continued)

本公司 (續)

		Land and buildings held for own use 持作自用 之土地及樓宇 HK\$'000 千港元	Plant and machinery 機器及設備 HK\$'000 千港元	Other property, plant and equipment 其他物業、 機器及設備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST OR VALUATION At 1 January 2010	成本或估值 於二零一零年 一月一日	20,443	19,378	14,857	54,678
Exchange adjustments	匯兌調整	666	2,946	956	4,568
Additions	增添	–	6,296	2,180	8,476
Disposals	出售	(462)	–	(224)	(686)
Surplus on revaluation	重估盈餘	2,058	–	–	2,058
Less: Elimination of revaluation	減：重估時對銷	(601)	–	–	(601)
At 31 December 2010	於二零一零年 十二月三十一日	22,104	28,620	17,769	68,493
REPRESENTING Cost	代表 成本	–	28,620	17,769	46,389
Valuation – 2010	估值 – 二零一零年	22,104	–	–	22,104
		22,104	28,620	17,769	68,493
DEPRECIATION At 1 January 2010	折舊 於二零一零年 一月一日	–	12,563	11,484	24,047
Exchange adjustments	匯兌調整	12	484	206	702
Charge for the year	本年度支銷	599	8,463	2,143	11,205
Written back on disposals	出售時撇銷	(10)	–	(224)	(234)
Elimination on revaluation	重估時對銷	(601)	–	–	(601)
At 31 December 2010	於二零一零年 十二月三十一日	–	21,510	13,609	35,119
CARRYING VALUES At 31 December 2010	賬面值 於二零一零年 十二月三十一日	22,104	7,110	4,160	33,374

The above items of property, plant and equipment are depreciated on straight-line basis over the following useful lives:

- Freehold land is not depreciated.
- Leasehold land and buildings situated thereon are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of purchase.
- Plant and machinery 4 – 10 years
- Other property, plant and equipment 3 – 5 years

上述物業、機器及設備乃於使用年內按直線法折舊：

- 不就永久業權持有土地進行折舊。
- 租賃土地及樓宇按未屆滿租約年期及其估計使用年期之較短者（自購買當日起計不超過50年）進行折舊。
- 機器及設備 4-10年
- 其他物業、機器及設備 3-5年

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17. PROPERTY, PLANT AND EQUIPMENT (Continued)

17. 物業、機器及設備 (續)

The Company (Continued)

本公司 (續)

Notes:

附註：

- (a) The analysis of net carrying value of land and buildings held for own use carried at fair value is as follows:

- (a) 持有作自用以公允價值列賬之土地及樓宇之賬面淨值分析如下：

		The Group 本集團		The Company 本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Freehold outside Hong Kong	在香港境外按永久業權持有	75,543	20,443	22,104	20,443
Medium-term leases outside Hong Kong	在香港境外按中期租約持有	17,700	14,200	-	-
		93,243	34,643	22,104	20,443

- (b) The Group's and the Company's land and buildings held for own use was revalued as at 31 December 2010 at their open market value. The valuations were carried out by Vigers Appraisal & Consulting Limited, an independent firm of professional surveyors not connected with the Group who had among staff members of the Hong Kong Institute of Surveyors. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in the same locations and conditions. A revaluation surplus of approximately HK\$6,470,000 (2009: HK\$9,167,000) has been transferred to the properties revaluation reserve, net of deferred tax of approximately HK\$2,609,000 (2009: HK\$826,000) (note 32).

於二零一零年十二月三十一日，曾就本集團及本公司持有作自用之土地及樓宇之公開市值進行重估。該等估值由與本集團並無關連之獨立專業估值師威格斯資產評估顧問有限公司進行，其部份員工為香港測量師學會成員。估值乃參考相同地點及狀況之類似物業之市場成交價而進行。約6,470,000港元重估盈餘(二零零九年：9,167,000港元)於扣除遞延稅項約2,609,000元(二零零八年：826,000港元)已被轉撥至物業重估儲備(見附註32)。

Had the above land and buildings held for own use been carried at cost less accumulated depreciation, the carrying amounts would have been:

倘上述持作自用之土地及樓宇已按成本減累計折舊列值，賬面金額將為：

		The Group 本集團		The Company 本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Freehold land and buildings	按永久業權持有之土地及樓宇	63,092	9,610	8,560	9,610
Leasehold land and buildings	按租賃持有之土地及樓宇	4,464	4,956	-	-
		67,556	14,566	8,560	9,610

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18. INVESTMENT PROPERTY

18. 投資物業

		The Group and the Company 本集團及本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Fair value	公允價值		
At 1 January	於一月一日	4,100	–
Transfer from property, plant and equipment (note 17)	轉撥自物業、機器及設備 (附註 17)	–	3,700
Increase in fair value recognised in profit or loss	於損益中確認之公允價值增加	1,000	400
At 31 December	於十二月三十一日	5,100	4,100

The fair value of the Group's and the Company's investment property at 31 December 2010 and 31 December 2009 has been arrived at on the basis of a valuation carried out on that dates by Vigers Appraisal & Consulting Limited, independent qualified professional valuers not connected with the Group. Vigers Appraisal & Consulting Limited is members of the Institute of Valuers, and have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in the same locations and conditions.

All of the Group's and the Company's property interests held under operating lease to earn rentals or for capital appreciation purpose are measured using the fair value model and are classified and accounted for as investment property.

The investment property is situated in Hong Kong and with the medium-term lease.

本集團及本公司之投資物業於二零一零年十二月三十一日及二零零九年十二月三十一日之公允價值乃按與本集團並無關連之獨立合資格專業估值師威格斯資產評估顧問有限公司於該等日期所進行之評值而得出。威格斯資產評估顧問有限公司為估價師協會之會員，具適當資歷及近期在相關地點同類物業估值之經驗。所作出之估值乃參考同一地區及情況相若物業之成交金額作市場憑證。

本集團及本公司之所有按經營租約持有並用作賺取租金或資本升值之物業權益，乃按公允價值模式計量，且分類為及以投資物業入賬。

位於香港之投資物業按中期租約持有。

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19. INTERESTS IN SUBSIDIARIES

19. 於附屬公司之權益

		The Company 本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Unlisted equities, at cost	非上市股本·按成本值	94,521	82,957
At 1 January	於一月一日		
Additional contribution	額外出資	374	11,564
At 31 December	於十二月三十一日	94,895	94,521
Amounts due from (to) subsidiaries (note)	應收(應付)附屬公司款項 (附註)	10,719	(43,198)
		105,614	51,323
Analysed for reporting purposes as:	分析作呈報用途：		
Non-current assets	非流動資產	94,895	94,521
Current assets	流動資產	10,719	-
Current liabilities	流動負債	-	(43,198)
		105,614	51,323

Note: The amounts were unsecured, interest-free and repayable on demand.

附註：應付附屬公司款項為無抵押、免息及需按要
求償還。

Notes to the Financial Statements
財務報表附註For the year ended 31 December 2010
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19. INTERESTS IN SUBSIDIARIES (Continued)

Details of the Company's subsidiaries as at 31 December 2010 and 2009 are as follows:

19. 於附屬公司之權益(續)

於二零一零年及二零零九年十二月三十一日，本公司之附屬公司之詳情如下：

Name of Company 公司名稱	Place of establishment and operation 成立及經營國家	Class of shares held 所持股份類別	Paid-up and issued capital/ registered ordinary share 繳足及已發行資本/ 已註冊普通股	Proportion of ownership interest held by the Company 由本公司持有之所有權權益比例 2010 二零一零年	Proportion of ownership interest held by the Company 由本公司持有之所有權權益比例 2009 二零零九年	Principal activities 主要業務
Shenzhen Kwang Sung (note (a)) 深圳光星(附註(a))	PRC 中國	Ordinary 普通股	US\$10,561,780 10,561,780美元	100%	100%	Manufacture and sales of electronic components 製造及銷售電子元件
Kwang Sung Electronics Trading (Shenzhen) Co., Ltd. (note (b)) 光星電子貿易(深圳)有限公司(附註(b))	PRC 中國	Ordinary 普通股	RMB500,000 500,000人民幣	100%	100%	Provision of sales agency services to the Company 向本公司提供銷售代理服務
Kwang Sung Group Investment Co., Ltd. (Formerly known as Grand Sonic Limited) (note (c)) Kwang Sung Group Investment Co., Ltd. (前稱 Grand Sonic Limited) (附註(c))	British Virgin Islands 英屬處女群島	Ordinary 普通股	US\$1 1美元	100%	100%	Inactive 暫無營業
Brocoli Co., Limited ("Brocoli") Brocoli Co., Limited (「Brocoli」)	Korea 韓國	Ordinary 普通股	KRW1,966,450,000 1,966,450,000韓圓	69.7%	69.7%	Research and development and production of Wiretape™ cabling technology products 研發及生產 Wiretape™ 纜線技術產品
Kwang Sung Electronics Korea Co., Ltd. (note (d)) Kwang Sung Electronics Korea Co., Ltd. (附註(d))	Korea 韓國	Ordinary 普通股	KRW50,000,000 50,000,000韓圓	100%	N/A 不適用	Inactive 暫無營業

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19. INTERESTS IN SUBSIDIARIES (Continued)

Notes:

- (a) It is a wholly foreign owned enterprise established in the PRC.
- (b) It is a wholly foreign owned investment commercial enterprise.
- (c) The name has been changed since 31 December 2010.
- (d) It is established on 26 March 2010.

None of the subsidiaries had issued any debt securities at end of both years.

20. GOODWILL

Cost and carrying value At 1 January Arising on acquisition of a subsidiary	成本及賬面值 於一月一日 因收購一間附屬公司而產生	5,857	-
At 31 December	於十二月三十一日	5,857	5,857

The carrying amount of goodwill as at the end of reporting periods are attributable to the Group's cash generating unit ("CGU") representing sale of products using Wiretape™ cabling technology.

The recoverable amount of the CGU is determined by reference to value in use calculations. These calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and at a discount rate of approximately 13.4% (2009: 9.44%). The cash flows beyond the five-year period are extrapolated using 7% average growth rate (2009: 30%). This average growth rate is based on the relevant industry growth rate for casts and does not exceed the average long-term growth rate for the relevant industry. Since CGU benefits from the possession of 17-year patents on its primary product registered in 2009, management of the Group believes that the average growth rate is reasonable. Other key assumptions for the value in use calculations relate to the estimation of each inflows/outflows including budgeted sales and gross margin, such estimation is based on the management's expectations for the market development and the directors considered appropriate.

During the year ended 31 December 2010 and 2009, management of the Group determines that there is no impairment of its CGU containing goodwill.

19. 於附屬公司之權益(續)

附註：

- (a) 該公司為於中國成立之外商獨資企業。
- (b) 該公司為外商獨資商業企業。
- (c) 其名稱自二零一零年十二月三十一日起變更。
- (d) 該公司於二零一零年三月二十六日成立。

沒有任何附屬公司於兩個年度末期發行任何債務證券。

20. 商譽

The Group 本集團		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
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Cost and carrying value At 1 January Arising on acquisition of a subsidiary	成本及賬面值 於一月一日 因收購一間附屬公司而產生	5,857	-
At 31 December	於十二月三十一日	5,857	5,857

商譽於呈報期末之賬面值來自本集團銷售使用 Wiretape™ 纜線技術產品之現金產生單位(「現金產生單位」)。

現金產生單位之可收回金額，乃參考使用價值進行計算後釐定。這些計算使用經管理層批准之五年期財務預算為基準之現金流量未來預測，按貼現率約13.4% (二零零九年：9.44%) 計算。超逾該五年期之現金流量則用7%之平均增長率 (二零零九年：30%) 推斷。此平均增長率乃基於相關行業的增長率且不出於相關行業的平均長期增長率而計算所得。由於現金產生單位因於二零零九年就其首項產品獲授十七年期專利權而受惠，故本集團管理層相信此平均增長率屬合理。其他使用價值計算的主要假設與每項估計現金流入／流出有關，有關估計乃基於管理層對市場發展的預期，董事亦認為估計屬適當。

於截至二零一零年及二零零九年十二月三十一日止年度內，本集團管理層斷定概無包括商譽之現金產生單位減值。

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21. CLUB MEMBERSHIPS

21. 會所會籍

		The Group and the Company 本集團及本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Club memberships, at cost	會所會籍，按成本		
At 1 January	於一月一日	889	889
Written off for the year	年內撇銷	(130)	-
At 31 December	於十二月三十一日	759	889
Accumulated amortisation	累計攤銷		
At 1 January	於一月一日	216	216
Written off for the year	年內撇銷	(57)	-
At 31 December	於十二月三十一日	159	216
Carrying values	賬面值		
At 31 December	於十二月三十一日	600	673

22. INTANGIBLE ASSETS

22. 無形資產

		Patents 專利權		The Group and the Company 本集團及本公司	
		The Group 本集團 2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	The Company 本公司 2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Cost	成本值				
At 1 January	於一月一日	19,387	-	11,371	-
Exchange adjustments	匯兌調整	257	(63)	-	(36)
Additions	添置	-	11,407	-	11,407
Acquired on acquisition of a subsidiary	收購一間附屬公司時所收購	-	8,043	-	-
At 31 December	於十二月三十一日	19,644	19,387	11,371	11,371
Amortisation	攤銷				
At 1 January	於一月一日	855	-	502	-
Exchange adjustments	匯兌調整	21	-	-	-
Charge for the year	本年度攤銷	1,145	855	669	502
At 31 December	於十二月三十一日	2,021	855	1,171	502
Carrying values	賬面值				
At 31 December	於十二月三十一日	17,623	18,532	10,200	10,869

The patents entitle the Group to manufacture products using Wiretape™ cabling technology over 17 years from the date of acquisition. The carrying values will therefore be amortised over the useful lives of 17 years.

該等專利權授權本集團於收購日期起17年使用Wiretape™纜線技術製造產品。賬面值因而將按剩餘可使用年期17年予以攤銷。

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23. INVESTMENTS IN EQUITY SECURITIES

23. 股本證券投資

		The Group and the Company 本集團及本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Unlisted equity securities, at cost	非上市股本證券，按成本值		
At 1 January	於一月一日	1,500	1,500
Less: impairment loss recognised	減：已確認減值虧損	(1,500)	(1,500)
At 31 December	於十二月三十一日	-	-

In view of significant operating losses incurred by the investee, full impairment loss had been made for the cost of investment in that entity of HK\$1,500,000 in previous years.

On 31 December 2007, the Group and the Company disposed of an investment in equity securities with carrying value of approximately HK\$1,684,000 to another shareholder of that entity at KRW200,000,000. Pursuant to the sales and purchase agreement dated 31 December 2007, the consideration should be settled on or before 30 June 2008. On 28 September 2009, the Group and the Company agreed to extend the repayment of sales proceeds by installments of KRW100,000,000 (equivalent to approximately HK\$666,000) each, payable on 30 June 2010 and 31 December 2010 respectively. The outstanding sales proceeds receivable bears an interest at 6% per annum.

由於接受投資者產生重大經營虧損，故已於過往年度就投資於該實體之成本1,500,000港元作出全數減值撥備。

於二零零七年十二月三十一日，本集團及本公司以200,000,000韓圓向該實體另一名股東出售賬面值約1,684,000港元之股本證券投資。根據日期為二零零七年十二月三十一日之買賣協議，代價應於二零零八年六月三十日或之前清償。於二零零九年九月二十八日，本集團及本公司同意延長銷售所得款項之還款期，以每期100,000,000韓圓（相當於約666,000港元），須分別於二零一零年六月三十日及二零一零年十二月三十一日償還。尚未清償之應收銷售所得款項按年利率6厘計息。

24. INVENTORIES

24. 存貨

		The Group and the Company 本集團及本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Raw materials	原材料	34,478	22,884
Work in progress	在製品	25,216	17,552
Finished goods	製成品	22,979	16,664
		82,673	57,100

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25. TRADE AND OTHER RECEIVABLES

25. 應收貿易及其他賬款

		The Group 本集團		The Company 本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Trade and bills receivables	應收貿易及票據賬款	119,064	131,125	118,943	131,008
Less: allowance for doubtful debts	減：呆賬撥備	(13,194)	(10,582)	(13,194)	(10,582)
		105,870	120,543	105,749	120,426
Short-term loans to key management personnel and employees	向主要管理人員及僱員提供短期貸款	128	667	128	667
Proceeds receivable from disposal of equity securities (note 23)	出售股本證券之應得款項(附註23)	688	1,333	688	1,333
Tax reserve certificates (note 11(b))	儲稅券(附註11(b))	19,075	9,742	19,075	9,742
Deposits, prepayments and other receivables	按金、預付款項及其他應收賬款	14,309	10,728	14,284	10,636
		140,070	143,013	139,924	142,804

(a) Ageing analysis

The Group allows an average credit period of 30 – 90 days to its trade customers. Included in trade receivables are trade and bills receivables (net of allowance for doubtful debts) presented based on the due date with the following ageing analysis as of the end of the reporting period:

(a) 賬齡分析

本集團給予其貿易客戶之平均信貸期為30至90天。應收貿易賬款包括按到期日呈列之應收貿易及票據賬款(減去呆賬撥備)，於呈報期末之賬齡分析如下：

		The Group 本集團		The Company 本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Current	即期	74,887	87,641	74,766	87,524
Less than 1 month	逾期少於一個月	23,089	21,462	23,089	21,462
1 to 3 months	一個月至三個月	6,650	8,432	6,650	8,432
More than 3 months but less than 12 months	逾期多於三個月但少於十二個月	1,244	3,008	1,244	3,008
		30,983	32,902	30,983	32,902
		105,870	120,543	105,749	120,426

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25. TRADE AND OTHER RECEIVABLES (Continued)

(a) Ageing analysis (Continued)

Trade receivables that are neither past due nor impaired have the best credit scoring attributable under the external credit scoring system used by the Group.

(b) Impairment of trade and bills receivables

Impairment losses in respect of trade and bills receivables are recorded using an allowance account unless the Group and the Company are satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade and bills receivables directly.

The movement in the allowance for doubtful debts during the year, including specific loss component, is as follows:

		The Group and the Company 本集團及本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
At 1 January	於一月一日	10,582	10,694
Impairment loss recognised	已確認減值虧損	2,772	196
Reversal of impairment loss	減值虧損回撥	(160)	(308)
At 31 December	於十二月三十一日	13,194	10,582

For the year ended 31 December 2010, the Group's and the Company's trade and bills receivables of approximately HK\$13,194,000 (2009: HK\$10,582,000) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. The Group does not hold any collateral over these balances.

25. 應收貿易及其他賬款 (續)

(a) 賬齡分析 (續)

根據本集團使用之外部信貸評分系統，未過期或無減值之應收貿易賬款具有最佳信貸得分。

(b) 應收貿易及票據賬款之減值

有關應收貿易及票據賬款之減值虧損乃使用備抵賬記錄，惟本集團及本公司認為收回款項之機會甚微則除外，在此情況下減值虧損直接在應收貿易及票據賬款中撇銷。

年內呆壞賬準備之變動（包括特定虧損成份）如下：

截至二零一零年十二月三十一日止年度，本集團及本公司之應收貿易及票據賬款約 13,194,000 港元（二零零九年：10,582,000 港元）當中個別部份被斷定出現減值。個別出現減值之應收賬是與財政出現困難之客戶有關，而管理層評估後，預期只可收回其中一部份的應收賬。本集團並無就該等結餘持有任何抵押品。

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25. TRADE AND OTHER RECEIVABLES (Continued)

(c) The ageing analysis of trade and bills receivables which are past due but not impaired

Less than 1 month	逾期少於一個月	23,089	21,462
1 to 3 months	一個月至三個月	6,650	8,432
More than 3 months but less than 12 months	逾期多於三個月但少於十二個月	1,244	3,008
		30,983	32,902

Included in the Group's and the Company's trade receivables balance are debtors with aggregate carrying amount of approximately HK\$30,983,000 (2009: HK\$32,902,000) which are past due as at the end of the reporting period for which the Group has not provided for impairment loss.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group and the Company. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group and the Company do not hold any collateral over these balances. The average age of these receivables is 85 days (2009: 102 days).

26. CASH AND CASH EQUIVALENTS

Bank balances carry interest at market rates which range from 0.001% to 0.36% (2009: 0.001% to 0.23%) per annum.

25. 應收貿易及其他賬款(續)

(c) 已過期但無減值之應收貿易及票據賬款之賬齡分析

The Group and the Company
本集團及本公司

2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元

計入本集團及本公司應收貿易賬款為賬面總值約30,983,000港元(二零零九年:32,902,000港元),於報告日期末屬過期之應收賬款,而本集團並無就此計提減值虧損。

已逾期但無減值之應收賬款是與本集團及本公司有良好還款紀錄之多名獨立客戶有關。根據以往經驗,由於信貸質素並無重大變化,加上有關結餘仍被認為可全數收回,故管理層相信毋須就該等結餘作減值撥備。本集團及本公司並無就該等結餘持有任何抵押品。該等應收賬款之平均賬齡為85天(二零零九年:102天)。

26. 現金及現金等價物

銀行結餘按市場年利率0.001%至0.36%(二零零九年:0.001%至0.23%)計息。

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27. TRADE AND OTHER PAYABLES

27. 應付貿易及其他賬款

		The Group 本集團		The Company 本公司	
		2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Trade payables	貿易應付賬	65,825	71,653	65,825	71,653
Accrued expenses and other payables	應計費用及 其他應付賬款	18,631	13,884	17,371	13,198
		84,456	85,537	83,196	84,851

Included in trade and other payables are trade payables presented based on the due date with the following ageing analysis as of the end of the reporting period:

應付貿易及其他賬款包括按到期日呈列之貿易應付賬，於報告期末之賬齡分析如下：

		The Group and the Company 本集團及本公司	
		2010 二零一零年	2009 二零零九年
		HK\$'000 千港元	HK\$'000 千港元
Due within 1 month or on demand	一個月內或接獲通知時到期	58,584	52,554
Due after 1 month but within 3 months	一個月後但三個月內到期	7,241	19,099
		65,825	71,653

The average credit period on purchases of goods is 0 – 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

購貨之平均信貸期為0至90天。本集團設有金融風險管理政策，確保所有應付賬款於信貸期限內結付。

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28. BANK BORROWING

28. 銀行借貸

		The Group 本集團		The Company 本公司	
		2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Secured (note)	有抵押 (附註)	13,758	–	13,758	–
Unsecured	無抵押	86	194	–	–
		13,844	194	13,758	–
Carrying amount repayable:	應償還賬面值：				
On demand or within one year	按要求或於一年內	13,844	111	13,758	–
More than one year, but not exceeding two years	一年以上但不超過兩年	–	83	–	–
		13,844	194	13,758	–

The bank borrowing bears interest ranging from 4.19% to 5.18% (2009: 5.18%) per annum and is repayable within 1 year. The bank borrowing was guaranteed by an independent third party, Korea Technology Credit Guarantee Fund.

銀行借貸按年利率4.19%至5.18%（二零零九年：5.18%）及須於一年內償還。銀行借貸乃由獨立第三方 Korea Technology Credit Guarantee Fund 提供擔保。

Note: The loan was secured by the Company's land and buildings in Korea with carrying amount of approximately HK\$21,603,000 for a maximum credit amounted of KRW 2,400,000,000 (approximately HK\$16,510,000).

附註：該貸款由本公司於韓國之賬面值約21,603,000港元之土地及樓宇作為最高信貸金額2,400,000,000韓圓（約16,510,000港元）之抵押。

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29. SHARE CAPITAL

29. 股本

(a) Authorised and issued share capital

(a) 法定及已發行股本

		2010 二零一零年		2009 二零零九年	
		Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元	Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
Authorised: Ordinary shares of HK\$0.1 each	法定： 每股面值0.1港元 之普通股	1,500,000	150,000	1,500,000	150,000
Ordinary shares, issued and fully paid:	已發行及繳足 之普通股：				
At 1 January	於一月一日	323,897	32,390	315,362	31,536
Shares issued (note)	已發行股份 (附註)	–	–	8,535	854
At 31 December	於十二月 三十一日	323,897	32,390	323,897	32,390

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有人有權收取不時宣派之股息，並於本公司大會上可就每股股份享有一票投票權。就本公司之剩餘資產而言，所有普通股享有同等權利。

Note: During the year ended 31 December 2009, 8,534,933 shares were issued at HK\$0.41 per share to the seller of patents as disclosed in note 31. Approximately HK\$854,000 was credited to share capital and the balance of approximately HK\$2,645,000 was credited to the share premium.

附註：截至二零零九年十二月三十一日止年度，8,534,933股股份按每股0.41港元發行予專利權買方（如附註31所披露）。為數約854,000港元已計入股本，餘額約2,645,000港元已計入股份溢價。

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30. RESERVES OF THE COMPANY

30. 本公司儲備

		Share premium	Capital reserve	Contribution reserve	Properties revaluation reserve	Statutory reserve	Exchange reserve	Retained profits	Total
		股份溢價	資本儲備	出資儲備	物業 重估儲備	法定儲備	匯兌儲備	保留溢利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2009	於二零零九年一月一日	55,921	604	-	10,045	7,493	(25,193)	278,409	327,279
Total comprehensive income (expense) for the year	本年度全面收益 (開支)總額	-	-	-	8,341	-	6,566	(34,892)	(19,985)
Contribution from shareholders	股東出資	-	-	9,946	-	-	-	-	9,946
Lapse of share options	購股權失效	-	(604)	-	-	-	-	604	-
Transfer	轉撥	-	-	-	-	941	-	(941)	-
Share issued according to a patent transfer agreement	根據專利轉讓協議 而發行股份	2,645	-	-	-	-	-	-	2,645
At 31 December 2009	於二零零九年 十二月三十一日	58,566	-	9,946	18,386	8,434	(18,627)	243,180	319,885
Total comprehensive income for the year	本年度全面收益總額	-	-	-	1,481	-	6,243	7,549	15,273
Transfer	轉撥	-	-	-	-	942	-	(942)	-
At 31 December 2010	於二零一零年 十二月三十一日	58,566	-	9,946	19,867	9,376	(12,384)	249,787	335,158

31. DERIVATIVE FINANCIAL LIABILITIES

31. 衍生金融負債

		The Group and the Company 本集團及本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Fair value	公允價值		
At 1 January the date of acquisition	於一月一日 / 收購日	7,391	7,908
Fair value change credited to the consolidated income statement	計入綜合損益表之公允價值變動	(939)	(517)
At 31 December	於十二月三十一日	6,452	7,391

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31. DERIVATIVE FINANCIAL LIABILITIES (Continued)

In March 2009, the Group and the Company entered into a patent transfer agreement (the "Agreement") with an independent third party (the "Seller"). The consideration of approximately HK\$10,242,000 was partially satisfied by issuing 8,534,933 shares of the Company at HK\$0.41 per share to the Seller and the remaining consideration of approximately HK\$6,743,000 will be settled in cash along with put options ("Options") on period from the end of third year to the end of fourth year after the transaction, under either condition:

- (i) the Group and the Company will not be required to make further payment if the share price of the Company is higher than HK\$1.2; or
- (ii) if the share price of the Company is lower than HK\$1.2, the Group and the Company will be required to pay the difference of the basis price (being HK\$1.2) and the share price, multiple the number of shares sold to the seller.

The details of the Options were set out in the Agreement and the Company's announcement dated 30 March 2009.

The fair value of the Options granted is estimated at the date of grant using binomial model taking into account the terms and conditions upon which the Options were granted. The inputs into the model were as follows:

		2010 二零一零年	2009 二零零九年
Dividend yield	股息率	0%	1%
Expected volatility	預期波幅	87%	85%
Risk-free interest rate	無風險利息	0.8%	1.7%
Expected life	預期年期	2.75 years年	3.75 years年
Weighted average share price	加權平均股價	HK\$0.630 港元	HK\$0.475 港元

The binomial model has been used to estimate the fair value of the Options. The variables and assumptions used in computing the fair value of the Options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

31. 衍生金融負債 (續)

於二零零九年三月，本集團及本公司與獨立第三方(「賣方」)訂立一份專利權轉讓協議(「協議」)。代價約10,242,000港元部分以按每股0.41港元發行8,534,933股本公司股份予賣方，代價餘額約6,743,000港元將於交易之後第三年底至第四年底期間以認沽期權(「期權」)於以下情況以現金結付：

- (i) 倘本公司之股份價格高於1.2港元，本集團及本公司無須支付餘額；或
- (ii) 倘本公司之股份價格低於1.2港元，本集團及本公司將須支付基本價格(即1.2港元)與股份價格之間的差額，乘以出售予賣方之股份數目。

期權之詳情載於協議及本公司於二零零九年三月三十日發出之公告。

所授出期權之公允價值乃採用二項式模式並計入授出期權之條款及條件進行估計。該模式之輸入數據包括：

二項式模式已用於估計期權之公允價值。計算期權公允價值所採用變數及假設乃按照董事最佳估算為準。期權價值因變數隨著若干主觀假設之不同而改變。

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32. DEFERRED TAXATION

The components of deferred tax liabilities recognised in the Group's and the Company's statements of financial position and the movements during the year are as follows:

The Group

		Depreciation allowances in excess of related depreciation 超出有關折舊之折舊抵免額 HK\$'000 千港元	Revaluation of land and buildings held for own use 重估持作自用之土地及樓宇 HK\$'000 千港元	Patents 專利權 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2009	於二零零九年一月一日	1,106	903	–	2,009
Acquisition	收購	–	–	787	787
Exchange adjustments	匯兌調整	–	–	120	120
(Credited) charged to profit or loss (note 11)	於損益中(計入)扣減(附註11)	(1,106)	–	1,750	644
Debited to reserve	在儲備中扣除	–	826	–	826
At 31 December 2009	於二零零九年十二月三十一日	–	1,729	2,657	4,386
Charged (credited) to profit or loss (note 11)	於損益中扣減(計入)(附註11)	1,114	–	(229)	885
Debited to reserve	在儲備中扣除	–	2,609	–	2,609
At 31 December 2010	於二零一零年十二月三十一日	1,114	4,338	2,428	7,880

32. 遞延稅項

於本集團及本公司之財務狀況表內確認之遞延稅項負債組成部份及於年內之變動如下：

本集團

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32. DEFERRED TAXATION (Continued)

32. 遞延稅項 (續)

The Company

本公司

		Depreciation allowances in excess of related depreciation 超出有關折舊之折舊抵免額 HK\$'000 千港元	Revaluation of land and buildings held for own use 重估持作自用之土地及樓宇 HK\$'000 千港元	Patents 專利權 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2009	於二零零九年一月一日	1,106	903	–	2,009
(Credited) charged to profit or loss	於損益中(計入)扣減	(1,106)	–	1,793	687
Debited to reserve	在儲備中扣除	–	826	–	826
At 31 December 2009	於二零零九年十二月三十一日	–	1,729	1,793	3,522
Charged (credited) to profit or loss	於損益中扣減(計入)	1,114	–	(109)	1,005
Debited to reserve	在儲備中扣除	–	577	–	577
At 31 December 2010	於二零一零年十二月三十一日	1,114	2,306	1,684	5,104

At the end of the reporting period, the Group and the Company has unused tax losses of approximately HK\$11,011,000 (2009: HK\$9,303,000) in respect of the Korea Branch. The Group also has other tax losses of approximately HK\$6,170,000 (2009: HK\$4,869,000). No deferred tax asset has been recognised in respect of the above tax losses due to the unpredictability of future profit streams.

Tax losses of the Korea Branch approximately HK\$606,000, HK\$3,730,000, HK\$2,484,000 and HK\$4,191,000 will expire in 2012, 2013, 2014 and 2015 (2009: HK\$2,483,000, HK\$606,000, \$3,730,000 and HK\$2,484,000 expire in 2010, 2012, 2013 and 2014), respectively. Tax losses of approximately HK\$6,170,000 (2009: HK\$4,869,000) may be carried forward indefinitely.

於呈報期末，本集團及本公司擁有韓國分公司之未使用稅項虧損約11,011,000港元（二零零九年：9,303,000港元）。本集團亦擁有其他稅項虧損約6,170,000港元（二零零九年：4,869,000港元）。由於無法預計未來溢利來源，故並無就上述稅項虧損確認遞延稅項資產。

韓國分公司稅務虧損約606,000港元、3,730,000港元、2,484,000港元及4,191,000港元將分別於二零一二年、二零一三年、二零一四年及二零一五年屆滿（二零零九年：2,483,000港元、606,000港元、3,730,000港元及2,484,000港元於二零一零年、二零一二年、二零一三年及二零一四年屆滿）。稅務虧損約6,170,000港元（二零零九年：4,869,000港元）可予無限期結轉。

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32. DEFERRED TAXATION (Continued)

The Company (Continued)

At the end of the reporting period, the Group has deductible temporary difference approximately of HK\$17,125,000 (2009: HK\$10,159,000). No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Effective from 1 January 2008, the Company is subject to a withholding tax at the rate of 5% for any dividend payment from its PRC subsidiaries. Deferred tax liabilities of approximately HK\$799,000 (2009: HK\$327,000) in respect of temporary differences relating to the undistributed profits of subsidiaries operating in the PRC of approximately HK\$15,977,000 (2009: HK\$6,554,000) have not been recognised as the Company controls the dividend policy of these subsidiaries and it has been determined that those profits will not be distributed in the foreseeable future.

33. AMOUNTS DUE FROM SHAREHOLDERS

The amounts are unsecured, interest-free and repayable on demand.

34. EMPLOYEE RETIREMENT BENEFITS

- (a) The Group operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the MPF scheme vest immediately.

32. 遞延稅項 (續)

本公司 (續)

於呈報期末，本集團有可扣稅臨時差額約17,125,000港元(二零零九年：10,159,000港元)。本集團未有就該可扣稅臨時差額確認遞延稅項資產，蓋因出現應課稅溢利以抵銷可扣稅臨時差額之機會不大。

由二零零八年一月一日起，本公司須就中國附屬公司所支付之任何股息按5%之預扣稅率繳付預扣稅。並無就與在中國營運之附屬公司之未分配利益有關之暫時性差異約15,977,000港元(二零零九年：6,554,000港元)確認遞延稅項負債約799,000港元(二零零九年：327,000港元)，原因為本公司控制該等附屬公司之股息政策，且已決定不會在可見之將來分配該等溢利。

33. 應收股東款項

該款項乃無抵押、免息及須按要求償還。

34. 僱員退休福利

- (a) 本集團根據《香港強制性公積金計劃條例》為根據香港《僱傭條例》所僱用之僱員提供強制性公積金計劃(「強積金計劃」)。強積金計劃乃由獨立信託人管理之界定供款退休計劃。根據強積金計劃，僱主及其僱員各自須按僱員相關收入之5%之比例就計劃作出供款，而每月相關收入之上限為20,000港元。強積金計劃之供款即時成為既定僱員福利。

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34. EMPLOYEE RETIREMENT BENEFITS (Continued)

- (b) Employees in Korea participate in a National Pension Scheme which is a mandatory insurance scheme under the National Pension Act (the "Scheme"). Under the Scheme, the employer and its employees are each required to make contributions to the Scheme at a specified rate of the employees' monthly income, subject to adjustments and a cap of monthly income stipulated in the Scheme.
- (c) The Group's subsidiaries in the PRC participate in a defined contribution scheme organised by the PRC municipal government. The subsidiaries are required to contribute a specified percentage of its payroll costs to the scheme. The contributions are charged to the consolidated income statement as they become payable in accordance with the rules of the scheme.

Save as above, the Group has no other material obligations to make payments in respect of retirement benefits of employees.

35. EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company has a share option scheme which was adopted on 16 June 2003 whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, advisers and consultants, to take up options to subscribe for shares of the Company. The options are exercisable progressively between one to three years from the date of grant and will expire at the end of a period to be notified by the directors of the Company to each option-holder upon the grant of option, such period not to exceed ten years from the date of grant. Each option gives the holder the right to subscribe for one ordinary share of the Company.

34. 僱員退休福利 (續)

- (b) 在韓國之僱員參與國家退休金計劃，其為一項按國家退休金法設立之強制性保險計劃（「該計劃」）。根據該計劃，僱主及其僱員各自須按僱員每月收入之特定比例就該計劃作出供款（可予調整，且以該計劃所規定每月收入之上限所限）。
- (c) 本集團於中國之附屬公司參與由中國市政府籌辦之定額供款計劃。附屬公司須按其僱員薪金成本之特定比例就計劃作出供款。該供款於其根據計劃規則支付時於綜合損益表內支銷。

除上文披露者外，本集團概無就僱員退休福利作出付款之其他重大承擔。

35. 以股份為基礎之股本付款交易

根據本公司一項於二零零三年六月十六日採納之購股權計劃，本公司董事獲授權酌情向本集團僱員（包括本集團內任何公司之董事）、顧問及諮詢人提出接納購股權之要約，以認購本公司股份。購股權可由授出日期起計一年至三年內逐步行使，並將於本公司董事授出購股權時知會各個購股權持有人之期間終結時屆滿，惟該期間不得超過由授出日期起計十年。各份購股權均授權持有人認購一股本公司普通股。

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TRANSACTIONS (Continued)

35. 以股份為基礎之股本付款交易 (續)

- (a) The terms and conditions of the grants that existed during the years are as follows, whereby all options are settled by physical delivery of shares:

- (a) 以下為年內已存在購股權之條款及條件，而所有購股權以實質上交付股份之方式支付：

		Number of options 購股權數目	Exercise period 行使期	Contractual life of options 購股權之合約年期
Options granted to directors: – on 7 July 2003	授予董事之購股權 – 於二零零三年七月七日	1,000,000	1 July 2004 to 30 June 2008 二零零四年七月一日至二零零八年六月三十日	5 years 五年
– on 6 May 2004	– 於二零零四年五月六日	1,000,000	1 May 2005 to 30 April 2009 二零零五年五月一日至二零零九年四月三十日	5 years 五年
Options granted to employees and other eligible persons: – on 7 July 2003	授予僱員及其他合資格人士之購股權： – 於二零零三年七月七日	15,220,000	1 July 2004 to 30 June 2008 二零零四年七月一日至二零零八年六月三十日	5 years 五年
Total share options	購股權總數	17,220,000		

The maximum percentage of the share options which are vested is determined in stages as follows:

界定為既定僱員福利之購股權最高百分比按以下階段定出：

On or after the first anniversary of grant date	30%
On or after the second anniversary of grant date	another 30%
On or after the third anniversary of grant date	another 40%

於授出購股權日第一週年或以後	30%
於授出購股權日第二週年或以後	另外30%
於授出購股權日第三週年或以後	另外40%

- (b) The number and weighted average exercise prices of share options were as follows:

- (b) 購股權之數目及加權平均行使價如下：

		Weighted average exercise price 加權平均行使價	Number of options 購股權數目
Outstanding at 1 January	於一月一日尚未行使	HK\$1.666 港元	1,000,000
Lapsed during the year	年內已失效	HK\$1.666 港元	(1,000,000)
Outstanding at 31 December	於十二月三十一日尚未行使	–	–
Exercisable at 31 December	於十二月三十一日可予以行使	–	–

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TRANSACTIONS (Continued)

(b) (Continued)

All share options were lapsed during the year ended 31 December 2009 and no share option has been granted under the share option scheme during the year ended 31 December 2010.

(c) Fair value of share options and assumptions

The fair value of services rendered in return for share options granted was measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted was measured based on a binomial lattice model. The contractual life of the option was used as an input into this model. Expectations of early exercise were incorporated into the binomial lattice model.

Fair value of share options and assumptions	購股權之公允價值 及假設	Date of grant 授出日期	
		6 May 2004 二零零四年 五月六日	7 July 2003 二零零三年 七月七日
Fair value at measurement date	於計量日期之公允價值	HK\$0.6025 港元	HK\$0.3875 港元
Share price	股價	HK\$1.66 港元	HK\$1.25 港元
Exercise price	行使價	HK\$1.666 港元	HK\$1.294 港元
Expected volatility	預期波幅	46%	41%
Option life	購股權年期	5 years 年	5 years 年
Expected dividends	預期股息	5%	4.25%
Risk-free interest rate	無風險利率	3.55%	2.7%

The expected volatility was based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information. Expected dividends were based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

The grantees were required to remain in service during the vesting period, and not required to achieve any other performance conditions or targets before they were entitled to the grants. There were no market conditions associated with the share option grants.

35. 以股份為基礎之股本付款交易 (續)

(b) (續)

所有購股權已於二零零九年十二月三十一日失效，於截至二零一零年十二月三十一日止年度內，概無根據購股權計劃授出購股權。

(c) 購股權之公允價值及假設

以授出購股權為代價所提供之服務的公允價值，乃參照已獲授出購股權之公允價值計量。已授出購股權的估計公允價值乃根據二項式點陣模式為基準計量。購股權之合約年期乃此模式所用之計算資料。對提早行使之預期亦已納入二項式點陣模式內。

預期波幅是根據歷史波幅而得出，並根據公開資料而預期對未來波幅可能產生之任何變動予以調整。預期股息乃以過往股息為基準。具主觀成份之計算資料及假設如有變動，可能重大影響公允價值之估計。

獲授予購股權之人士須在歸屬期內仍然在職，而於有權接受獲授之購股權前，無須達成任何其他表現條件或目標。授出購股權並無附有市場條件。

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36. ACQUISITION OF A SUBSIDIARY

- (a) During the year ended 31 December 2009, the Group acquired a total of 59.5% equity interests in Brocoli from independent third parties at a consideration of approximately HK\$10,300,000 ("First Acquisition"). Brocoli is a company incorporated in Korea and is a research and development oriented company.

The First Acquisition had been accounted for using the purchase method. The net assets acquired and the goodwill arising, were as follows:

36. 收購一間附屬公司

- (a) 截至二零零九年十二月三十一日止年度，本集團按代價約10,300,000港元，向獨立第三方收購Brocoli合共59.5%股本權益（「首次收購」）。Brocoli乃於韓國註冊成立之公司，亦為以研究及開發為主之公司。

首次收購乃採用購買法入賬。所收購資產淨值及因而產生之商譽如下：

		Acquiree's carrying amount 被收購者 之賬面值 HK\$'000 千港元	Fair value adjustments 公允 價值調整 HK\$'000 千港元	Acquiree's fair value 被收購者 之公允價值 HK\$'000 千港元
Net assets acquired:	所收購資產淨值：			
Plant and equipment	機器及設備	294	–	294
Intangible assets – patents	無形資產 – 專利權	1,536	6,507	8,043
Other receivables	其他應收賬款	40	–	40
Cash and cash equivalents	現金及現金等價物	866	–	866
Accrued expenses and other payables	應計費用及 其他應付款項	(747)	–	(747)
Bank borrowing	銀行借貸	(241)	–	(241)
Deferred tax liabilities	遞延稅項負債	–	(787)	(787)
		1,748	5,720	7,468
Non-controlling interests	非控股權益			(3,025)
Goodwill arising on acquisition	因收購而產生之商譽			5,857
				10,300
Consideration satisfied by:	按以下方式支付代價：			
Cash	現金			10,300
Net cash outflow arising on acquisition:	因收購而產生現金 流出淨額：			
Cash consideration paid	已付現金代價			(10,300)
Cash and cash equivalents acquired	所收購現金及 現金等價物			866
				(9,434)

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36. ACQUISITION OF A SUBSIDIARY (Continued)

(a) (Continued)

The acquired subsidiary contributed approximately HK\$1,425,000 to the Group's loss for the period from the date of acquisition to 31 December 2009.

If the First Acquisition had been completed on 1 January 2009, total Group turnover for the period would have been approximately HK\$592,378,000 and loss for the period would have been approximately HK\$26,188,000. The pro forma information was for illustrative purposes only and was not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2009, nor was it intended to be a projection of future results.

The goodwill was arisen from the synergy upon the business combination of the acquired subsidiary and the Group.

(b) In addition, the Group contributed additional share capital of approximately HK\$1,264,000 to Brocoli which represented 10.2% during 2009, while the minority shareholders did not increase their contribution. Consequently, the equity interest of the Group in Brocoli was increased by 10.2% from 59.5% to 69.7%. The additional equity interest being acquired through the increase in the relevant share of the carrying value of Brocoli's net assets of approximately HK\$301,000 recorded in other reserve during 2009.

36. 收購一間附屬公司 (續)

(a) (續)

自收購日期至二零零九年十二月三十一日止期間，所收購附屬公司為本集團本期間虧損貢獻約1,425,000港元。

倘首次收購已於二零零九年一月一日完成，本期間之總集團營業額約為592,378,000港元，而本期間虧損約為26,188,000港元。備考資料僅供說明，並非本集團之實際應得收益及業績（假設收購於二零零九年一月一日完成）之指標，亦不擬用作未來業績之預測。

商譽乃因所收購附屬公司與本集團進行業務合併之協同效力而產生。

(b) 此外，於二零零九年，本集團向Brocoli額外出資股本約1,264,000港元，即10.2%，而少數權益股東並無增加其出資額。因此，本集團於Brocoli之股本權益由59.5%增加10.2%至69.7%。於二零零九年，透過增加於Brocoli資產淨值之賬面值之相關分佔而收購之額外股本權益約301,000港元已於其他儲備記錄。

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The Group received Korean government grants with proceeds of approximately KRW48,834,000 (equivalent to approximately HK\$325,000) to finance the acquisition of certain plant and equipment through the acquisition of a subsidiary in 2009. The grant is initially measured at its fair value. The benefit derived from such grant will be recognised in profit or loss on the same basis as depreciation for the related plant and equipment. Such a government grant is measured at amortised cost using the effective interest method at the end of reporting period. During the year ended 31 December 2010, government grant of approximately HK\$66,000 has been recognised in the consolidated statement of comprehensive income (2009: approximately HK\$40,000).

38. COMMITMENTS

(a) Capital commitments outstanding at the end of the reporting period contracted for but not provided for in the financial statements in respect of the following:

		The Group 本集團		The Company 本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Property, plant and equipment	物業、機器及設備	27,500	2,367	25	2,367

(b) The Group and the Company as lessee

At the end of the reporting period, the Group and the Company had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		The Group 本集團		The Company 本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Within one year	一年內	4,799	4,832	930	1,060
In the second to fifth year inclusive	第二年後至第五年內 (包括首尾兩年)	6,027	8,485	902	203
		10,826	13,317	1,832	1,263

37. 政府補貼

本集團收取韓國政府補貼之款項約為48,834,000韓圓(相當於約325,000港元)，透過於二零零九年收購一間附屬公司，以撥資收購若干機器及設備。補貼款項初步按公允價值計量。款項所產生之利益將按與就相關機器及設備進行折舊之相同基準於損益進行確認。於呈報期末，政府貸款以實際利率法按攤銷成本計量。截至二零一零年十二月三十一日止年度，約66,000港元之政府補貼已於綜合全面收益表中確認(二零零九年：約40,000港元)。

38. 承擔

(a) 於呈報期末於財務報表中已訂約但尚未提撥準備之資本承擔如下：

(b) 本集團及本公司作為承租人

於呈報期末，本集團及本公司根據不可解除經營租賃有日後應付之最低租賃款項之承擔如下：

Notes to the Financial Statements
財務報表附註For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

38. COMMITMENTS (Continued)

(b) (Continued)

Operating lease payments represent rentals payables by the Group and the Company for certain of its office premises. Leases are negotiated for an average term of 8 years and 2 years for the Group and the Company respectively and rentals are fixed for an average of 8 years and 2 years for the Group and the Company respectively.

(c) The Group and the Company as lessor

Property rental income earned during the year was approximately HK\$312,000 (2009: HK\$249,000). The property is expected to generate rental yields of 6.12% on an ongoing basis. All of the properties held have committed tenants for the next year.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease receipts which fall due as follows:

38. 承擔 (續)

(b) (續)

經營租賃款項指本集團及本公司就若干辦公室物業之應付租金。本集團及本公司之租約經磋商後平均為期分別八年及兩年，而本集團及本公司之租金分別固定於平均八年及兩年。

(c) 本集團及本公司作為出租人

本年度所賺取之物業租金收入約為312,000港元(二零零九年: 249,000港元)。預期物業可持續帶來租金率6.12%。全部所持有之物業於未來一年均有已承諾租戶。

於呈報期末，本集團已與租戶訂約之日後最低租賃如下：

		The Group and the Company 本集團及本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Within one year	一年內	220	312
In the second to fifth year inclusive	第二年後至第五年內 (包括首尾兩年)	—	220
		220	532

Notes to the Financial Statements
財務報表附註For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

39. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions.

(a) Transactions with shareholders

- (i) During the year, the Group entered into the following transactions with Kwang Sung Electronics Co., Ltd. (“Kwang Sung Korea”), a major shareholder of the Company:

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Sales of finished goods 銷售製成品	1,109	2,246
Referral commission 已付 / 應付轉介佣金 paid/payable	626	1,371
Production outsourcing 已付 / 應付生產外包費用 fee paid/payable	2,300	1,659

The directors of the Company are of the opinion that the above transactions were conducted in the ordinary course of business and were on normal commercial terms.

- (ii) Pursuant to a Deed of Indemnity dated 23 June 2003, two shareholders, Mr. Yang Jai Sung and Kwang Sung Korea, would indemnify the Group for any tax liabilities payable for periods prior to 30 June 2003. Amounts receivable from Mr. Yang Jai Sung and Kwang Sung Korea under the indemnity at 31 December 2010 are approximately HK\$4,050,000 and HK\$5,896,000 (2009: HK\$6,124,000 and HK\$4,206,000) respectively.

39. 重大關連人士交易

除本財務報表其他地方所披露之交易外，本集團訂立以下重大關連人士交易。

(a) 與股東之交易

- (i) 於年內，本集團與本公司主要股東株式會社光星電子（「韓國光星」）訂立以下交易：

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Sales of finished goods 銷售製成品	1,109	2,246
Referral commission 已付 / 應付轉介佣金 paid/payable	626	1,371
Production outsourcing 已付 / 應付生產外包費用 fee paid/payable	2,300	1,659

本公司之董事認為，上述交易，是在日常及一般業務過程中按正常商業條款進行。

- (ii) 根據日期為二零零三年六月二十三日之彌償保證契約，兩名股東梁在星先生及韓國光星就於二零零三年六月三十日以前期間之任何稅務負債向本集團作出彌償。根據彌償保證於二零一零年十二月三十一日應收梁在星先生及韓國光星之款項分別約為4,050,000港元及5,896,000港元（二零零九年：6,124,000港元及4,206,000港元）。

Notes to the Financial Statements
財務報表附註For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度**39. MATERIAL RELATED PARTY TRANSACTIONS**

(Continued)

(b) Transactions with other related parties

(i) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 13 and certain of the highest paid employees as disclosed in note 14, is as follows:

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Short-term employee benefits 短期僱員福利	9,631	8,198
Post-employment benefits 離職後福利	213	169
	9,844	8,367

Total remuneration is included in "staff costs" (see note 12).

- (ii) During the year, the Group paid a consultancy fee of approximately HK\$540,000 (2009: HK\$494,000) to a close family member of Mr. Yang Jai Sung, a shareholder and a director of the Company. No consultancy fee was outstanding at 31 December 2010 and 2009.

39. 重大關連人士交易 (續)**(b) 與其他關連人士之交易**

(i) 主要管理人員之酬金

主要管理人員酬金(包括已於附註13中所披露支付予本公司董事之金額及已於附註14中披露支付予若干最高薪僱員之金額)載列如下:

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Short-term employee benefits 短期僱員福利	9,631	8,198
Post-employment benefits 離職後福利	213	169
	9,844	8,367

酬金總額乃計入「員工成本」(見附註12)。

- (ii) 於本年度，本集團向本公司之股東兼董事梁在星先生一名近親支付顧問費約540,000港元(二零零九年:494,000港元)。於二零一零年及二零零九年十二月三十一日並無尚未支付之顧問費。

Notes to the Financial Statements
財務報表附註For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

39. MATERIAL RELATED PARTY TRANSACTIONS

(Continued)

(b) Transactions with other related parties

(Continued)

(iii) Loan to key management personnel

Included in other receivables were loans to key management personnel and the terms of which are as follows:

Name of borrower 借款人	Mr. Suh Jin Won 徐陳愿先生
Position 職位	General manager 總經理
Terms of the loan 貸款之條款	
– Repayment terms	Repayable on demand
– 貸款年期	要求時償還
– loan amount	RMB30,000
– 貸款金額	30,000 人民幣
– interest rate	Nil
– 息率	零
– security	None
– 抵押	無
Balance of the loan 貸款結餘	
– at 1 January 2009	Nil
– 於二零零九年一月一日	零
– at 31 December 2009 and 1 January 2010	HK\$34,000
– 於二零零九年 十二月三十一日 及二零一零年一月一日	34,000 港元
– at 31 December 2010	HK\$35,000
– 於二零一零年 十二月三十一日	35,000 港元

39. 重大關連人士交易 (續)

(b) 與其他關連人士之交易 (續)

(iii) 向主要管理人員提供貸款

其他應收款項包括向主要管理人員提供之貸款，其條款如下：

Mr. Lee Don Gi 李敦基先生	Mr. Lim Hee Jun 林熙俊先生
General manager 總經理	Chief researcher 責任研究員
Repayable on demand	Repayable on demand
要求時償還	要求時償還
KRW10,000,000	KRW2,000,000
10,000,000 韓圓	2,000,000 韓圓
Nil	Nil
零	零
None	None
無	無
Nil	Nil
零	零
HK\$67,000	HK\$13,000
67,000 港元	13,000 港元
HK\$69,000	Nil
69,000 港元	零

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

40. EVENT AFTER THE REPORTING PERIOD

- (a) Subsequent to 31 December 2010, the Group has proposed an establishment of a new production plant in Baoying, Jiangsu, by setup a wholly-owned subsidiary with registered capital of US\$10,000,000. Up to the date of this report, the wholly-owned subsidiary has not incorporated yet.
- (b) Subsequent to 31 December 2010, the tax representative of the Company has received a letter from the HKIRD that the HKIRD has not agreed to the objection lodged by the tax representative of the Company on its 50:50 offshore concession claims as disclosed in note 11. A settlement proposal has been made by the HKIRD on the additional profits tax assessment for the years of assessment 2001/2002 to 2005/2006. Up to the date of this report, the Company does not have any decision on the proposal.

40. 呈報期後事項

- (a) 於二零一零年十二月三十一日後，本集團提議藉著開設一間全資附屬公司（註冊資本為10,000,000美元），於江蘇寶應建造新工廠。截至本報告日期，該全資附屬公司尚未註冊成立。
- (b) 於二零一零年十二月三十一日後，本公司之稅務代表收到香港稅務局之函件，香港稅務局不同意由本公司之稅務代表提出關於其50:50離岸豁免要求之異議，見附註11所披露。香港稅務局就二零零一／二零零二評稅年度至二零零五／二零零六評稅年度之新增利得稅評稅提出解決方案。截至本報告日期，本公司於該方案未作出任何決定。

Five-year Financial Summary 五年財務概要

		2006 二零零六年	2007 二零零七年	2008 二零零八年	2009 二零零九年	2010 二零一零年
Consolidated Income Statement (HK\$'000)	綜合損益表 (千港元)					
Turnover	營業額	611,215	783,453	797,912	592,280	680,481
Profit (loss) from operations	經營溢利(虧損)	20,886	34,870	(1,538)	3,308	14,018
Profit (loss) after taxation and attributable to owners of the Company	除稅後本公司 擁有人應佔 溢利(虧損)	18,458	30,275	(2,298)	(35,774)	8,087
Dividends	股息	5,639	9,116	1,577	–	–
Basic earnings (loss) per share – HK cents	每股基本盈利 (虧損) – 港仙	5.89	9.66	(0.73)	(11.13)	2.50
Diluted earnings (loss) per share – HK cents	每股攤薄盈利 (虧損) – 港仙	n/a 不適用	9.46	(0.73)	(11.13)	2.50
Consolidated Statement of Financial Position (HK\$'000)	綜合財務狀況表 (千港元)					
Non-current assets	非流動資產	98,633	97,568	77,984	104,708	163,708
Current assets	流動資產	355,748	380,530	352,432	390,091	366,194
Current liabilities	流動負債	(90,700)	(81,564)	(69,262)	(128,360)	(141,586)
Net current assets	流動資產淨值	265,048	298,966	283,170	261,731	224,608
Long-term liabilities	非流動負債	(2,019)	(1,698)	(2,009)	(11,860)	(14,332)
Net assets	資產淨值	361,662	394,836	359,145	354,579	373,984
Consolidated Statement of Cash Flows (HK\$'000)	綜合現金流量表 (千港元)					
Net cash from (used in) operating activities	經營活動所得(所用) 之現金淨額	29,094	25,335	(9,452)	32,172	730
Net cash from (used in) investing activities	投資活動所得(所用) 之現金淨額	(42,522)	3,312	(9,515)	11,977	(59,111)
Net cash from (used in) financing activities	融資活動所得(所用) 之現金淨額	(8,147)	(7,785)	(3,686)	(80)	13,365
Net increase (decrease) in cash and cash equivalents	現金及現金等價物 之增加(減少) 淨額	(21,575)	20,862	(22,653)	44,069	(45,016)
Share Information (HK\$)	股份資料(港元)					
Highest share price	最高股價	\$1.60	\$3.35	\$3.27	\$2.70	\$0.98
Lowest share price	最低股價	\$0.84	\$1.03	\$1.11	\$0.33	\$0.41
Year end closing share price	年終收市股價	\$1.60	\$3.35	\$2.68	\$0.41	\$0.65

Corporate Information and Shareholders' Calendar 公司資料及股東日程表

Corporate Information

Board of Directors

Non-executive director

Mr. Yang Ho Sung (*Chairman*)

Executive directors

Mr. Yang Jai Sung

Mr. Lee Kyu Young

Mr. Woo Nam Jin (resigned on 29 January 2010)

Independent non-executive directors

Dr. Han Byung Joon

Dr. Kim Chung Kweon

Mr. Kim Chan Su

Executive Committee

Mr. Yang Jai Sung

Mr. Lee Kyu Young

Mr. Woo Nam Jin (resigned on 29 January 2010)

Audit Committee

Mr. Kim Chan Su

Dr. Kim Chung Kweon

Dr. Han Byung Joon

Mr. Yang Ho Sung

Remuneration Committee

Dr. Han Byung Joon

Dr. Kim Chung Kweon

Mr. Kim Chan Su

Mr. Yang Jai Sung

Independent Board Committee

Mr. Kim Chan Su

Dr. Han Byung Joon

Dr. Kim Chung Kweon

Company Secretaries

Ms. Sin Lai Lan (resigned on 1 September 2010)

Mr. Kwok Kim Hung Eddie (appointed on 1 September 2010)

Mr. Ngai Wai Fung (appointed on 1 September 2010 and
resigned on 20 November 2010)

Ms. Ma Sau Kuen Gloria (appointed on 20 November 2010)

公司資料

董事會

非執行董事

梁皓星先生 (主席)

執行董事

梁在星先生

李圭英先生

禹南珍先生 (於二零一零年一月二十九日辭任)

獨立非執行董事

韓丙濬博士

金正權博士

金瓚洙先生

執行委員會

梁在星先生

李圭英先生

禹南珍先生 (於二零一零年一月二十九日辭任)

審核委員會

金瓚洙先生

金正權博士

韓丙濬博士

梁皓星先生

薪酬委員會

韓丙濬博士

金正權博士

金瓚洙先生

梁在星先生

獨立董事委員會

金瓚洙先生

韓丙濬博士

金正權博士

公司秘書

單麗蘭女士 (於二零一零年九月一日辭任)

郭劍雄先生 (於二零一零年九月一日獲委任)

魏偉峰先生 (於二零一零年九月一日獲委任
並於二零一零年十一月二十日辭任)

馬秀絹女士 (於二零一零年十一月二十日
獲委任)

Corporate Information and Shareholders' Calendar 公司資料及股東日程表

Authorised Representatives

Mr. Yang Jai Sung
Ms. Sin Lai Lan (resigned on 1 September 2010)
Mr. Ngai Wai Fung (appointed on 1 September 2010 and
resigned on 20 November 2010)
Ms. Ma Sau Kuen Gloria (appointed on 20 November 2010)

Registered Office and Principal Place of Business

Units 208-209, 2/F., Bio-Informatics Centre
No. 2 Science Park West Avenue
Hong Kong Science Park
Shatin, N.T.
Hong Kong

Auditors

SHINEWING (HK) CPA Limited
Certified Public Accountants

Share Registrar and Transfer Office

Tricor Standard Limited
26/F., Tesbury Centre
28 Queen's Road East
Hong Kong

Investor Relations Contact

Strategic Financial Relations Limited
Unit A, 29/F., Admiralty Centre I
18 Harcourt Road
Hong Kong
Tel: (852) 2864-4812/2864-4831
Fax: (852) 2804-2789

Stock Code

The Stock Exchange of Hong Kong Limited: 2310

Company Website

www.kse.com.hk

授權代表

梁在星先生
單麗蘭女士(於二零一零年九月一日辭任)
魏偉峰先生(於二零一零年九月一日獲委任
並於二零一零年十一月二十日辭任)
馬秀絹女士(於二零一零年十一月二十日
獲委任)

註冊辦事處及主要營業地點

香港
新界沙田
香港科學園
科技大道西2號
生物資訊中心2樓208-209室

核數師

信永中和(香港)會計師事務所有限公司
執業會計師

股份過戶登記處

卓佳標準有限公司
香港
皇后大道東28號
金鐘匯中心26樓

投資者關係通訊

縱橫財經公關顧問有限公司
香港
夏慤道18號
海富中心一期29樓A室
電話:(852) 2864-4812/2864-4831
傳真:(852) 2804-2789

股份代號

香港聯合交易所有限公司: 2310

公司網址

www.kse.com.hk

Corporate Information and Shareholders' Calendar 公司資料及股東日程表

Shareholders' Calendar

Announcement of 2010 Final Results
25 March 2011

Closure of Register of Members
25 to 27 May 2011 (both days inclusive)

Annual General Meeting
27 May 2011

股東日程表

公布二零一零年末期業績
二零一一年三月二十五日

暫停辦理股份過戶登記
二零一一年五月二十五至二十七日(包括首尾兩天)

股東週年大會
二零一一年五月二十七日



Kwang Sung Electronics H.K. Co. Limited
光 星 電 子 香 港 有 限 公 司